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ABSTRACT

As part of a series of hearings on the reauthorization of the Higher Education Act of 1965, the House Subcommittee on Postsecondary Education convened a hearing in Chicago, Illinois, in order to hear the recommendations of those who work directly in higher education. The witnesses testified on students loans, the difference between grants and loans, efforts to simplify the financial aid process, improving access to minority students, the rising cost of postsecondary education and the difficulty middle class families have in paying for education, early intervention and retention efforts aimed at minorities, and equal access to education. Appearing were witnesses for the following institutions: Project Fame/Upward Bound, Illinois Association of Educational Opportunities Program Personnel, Chicago State University, Illinois Institute of Technology, First Congressional District Education Task Force, National-Louis University, The College Board, Illinois Medical Training Center, Taylor Business Institute, Ada S. McKinley Community Services, University Professions of Illinois, and City Colleges of Chicago. Their prepared statements and other prepared statements, including statements from four students, letters, and supplemental materials are also included. (JB)

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OVERSIGHT HEARING ON THE REAUTHORIZATION OF THE HIGHER EDUCATION ACT OF 1965: CHICAGO, ILLINOIS

HEARING

BEFORE THE

SUBCOMMITTEE ON POSTSECONDARY EDUCATION

OF THE

COMMITTEE ON EDUCATION AND LABOR
HOUSE OF REPRESENTATIVES

ONE HUNDRED SECOND CONGRESS

FIRST SESSION

HEARING HELD IN CHICAGO, IL, MAY 24, 1991

Serial No. 102-49

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HEARING ON THE REAUTHORIZATION OF THE HIGHER EDUCATION ACT OF 1965

FRIDAY, MAY 24, 1991

House of Representatives,
Subcommittee on Postsecondary Education,
Committee on Education and Labor,
Chicago, Il.

The subcommittee met, pursuant to notice, at 9 a.m., at Chicago State University, 95th Street and King Drive, Chicago, Illinois, Hon. Charles A. Hayes presiding.

Members present. Representatives Hayes, Payne and Kildee.

Staff present. Thomas R. Wolanin, staff director; Diane Stark, legislative associate; and Katrina Kelly, legislative director.

Mr. Hayes. I think the moment has arrived when we will begin our hearing. Let me advise you that one of my colleagues, at least, will have to leave somewhere around noontime, Congressman Kildee. And our intentions are to try to wind up our hearing somewhere around 1 p.m. today. Maybe a little before.

I would like to, of course, take time to thank those of you who made this hearing possible. I want to welcome members who are here today who have taken time out of their busy schedules to join us in our great City of Chicago. You may be aware, here to my left, Dale Kildee, is a good, good friend of education, too. In fact, he used to teach.

As subcommittee chairman of this elementary and secondary committee, Congressman Kildee keeps a watchful eye out for our youth, on issues such as parental choice, equitable funding, Head Start, and Chapter I programs.

Also here with us today, to my right, Congressman Donald Payne from the State of New Jersey, Newark, to be specific. This is Congressman Payne's second time serving on the Education and Labor Committee, and he has been a wonderful addition. Before that, he served for many years with the national YMCA. Donald Payne is no stranger to the needs of our youth and young adults.

So, I just want to briefly thank both of my colleagues for coming all the way to Chicago for this hearing.

I would also like to thank our host here at the Chicago State University, Dr. Dolores Cross, who was so gracious to allow the subcommittee to convene such an important hearing on her campus. I know that Dr. Cross is just beginning to settle down here as the president of this fine institution. I have great faith that Chicago State will continue to grow under her direction. I also thank the staff here at the university for all their assistance in preparing for this hearing.

We cannot forget our witnesses that will present their testimony before us today. I know that you are all very busy people, so I certainly appreciate your taking time off as well to join us on this holiday weekend. The easiest thing in the world is to ease out of it when you have a long weekend. I look forward to hearing from those that work and operate in the field of higher education on a daily basis. You all are truly the experts here. So, a welcome and thank you to our witnesses.

Finally, I want to thank someone who is not in attendance today, and that is the Chairman of this subcommittee, as well as Chairman of the full committee of Education and Labor, Congressman William Ford, from Michigan. Chairman Ford has been very generous in allowing me to host this field hearing, and that I do greatly appreciate.

So, let us move on. We are here today to discuss reorganization of the Higher Educational Act of 1965. As you know, this Act authorizes all the major Federal programs supporting post secondary education, including Title IV, which provides about $18 billion in student aid, to help students obtain a higher education like college, universities, trade and technical schools. Actual legislation has yet to be drafted to reauthorize the Higher Education Act. For a large part, that is the purpose of today's hearing. We are here to listen to your thoughts and suggestions as we prepare to make any changes in the Act. We seek the input of the higher education community, as well as others, in identifying needed improvements in the system.

I know that we will touch upon issues such as student loans, the difference between grants and loans, efforts to simplify the financial aid process, improving access to minority students, and the overall amount of funds available to the various Title IV programs.

So, I look forward to the witnesses' testimony today, and would like to start off by recognizing my colleagues for any opening remarks that they might have.

Congressman Kildee?

Mr. KILDEE. I will be very brief. I want to hear the witnesses.

First, I welcome the witnesses, particularly President Cross, who has her Ph.D. from the University of Michigan, where I got my master's degree.

A funny thing happened on the way to my Ph.D. I got elected to the State legislature in 1964, so I am taking a long sabbatical in politics right now.

Mr. Ford has announced that everything is on the table this year with the Higher Education Bill. The last major revision of the bill took place in 1972, really, and there has been some tinkering with it. We want to make sure that we really take care of those people who want to, and have the ability to go to college. I know in my district, there are a lot of young people out there who want to and have the ability to go to college, but do not have the finances. I think the government can do a much better job. We will try to do that this year.

I look forward to listening to the witnesses and become a little more expert on this as a result.

Thank you very much, Mr. Chairman.

Mr. **Hayes**. Congressman Payne?

Mr. **Payne**. Thank you very much. First of all, let me commend you for calling this field hearing in Chicago to discuss the various issues concerning the Reauthorization of the Higher Education Act. I, too, would like to say good morning, again, to Dr. Dolores Cross. She and I attended school in Newark, New Jersey at the same—not at the same time, but in the same era as I did. We have been very proud of her outstanding career in education, as she went through the New York Regents, worked with the State of New York in higher education, and then onto Minnesota.

And I think that this university is very fortunate to have such an outstanding individual who not only educationally has the ability, but has the practical experience and background to understand the needs of young people that we are trying to serve, so it is really a pleasure to be here.

There are so many issues that deserve our attention during this reauthorization. Many circumstances have changed since the last reauthorization of this Act in 1986. The number of non-traditional students, which includes older, and part-time students, have increased dramatically. Low income and middle income families are finding it increasingly difficult to find money to help send their children to college.

Additionally, there are new requirements for the American workplace. As we approach the year 2000, we must realize that we need more postsecondary students to study mathematics, science and engineering. This means that we will have to be more committed to developing these programs in institutions nationwide.

A recent report indicated that in the year 2000, 17,300 Ph.Ds in math and science will be needed. According to statistics, only 8,300 will be graduating at that time. Therefore, we will have a shortfall of thousands of Ph.Ds in math and science. And, so, we have to take a look at that as a Nation.

Everyone must be prepared for a society that is becoming more dependent on advanced technology. Therefore, having access to a quality education is imperative. These educational opportunities should be expanded to traditionally underrepresented groups, low income people, people of color, and women.

Moreover, if we truly believe that all students should have access to a postsecondary education, then we must support Title IV of the Higher Education Act, which assists in making available the benefits of postsecondary education to eligible students by providing basic educational opportunity grants, supplemental grants, and by providing special projects and programs to encourage disadvantaged youth to attend college and provide real services to students who need the extra assistance to attend college.

I certainly look forward to hearing the testimony of our witnesses. Thank you, Mr. Chairman.

Mr. **Hayes**. I thank both of my colleagues for their opening remarks.

Finally, because of time constraints, we were not able to accommodate all that wanted to testify. However, if anyone here today would like to submit testimony for the record, please provide that for the subcommittee today, or within 10 days after this hearing.

Let us now move on with out first witness, which is Dr. Cross. Let me suggest to the rest of you now that we only have one mike that works, and that is the one in front of her. So, move that around in front of you, and do not bother those others.

Dr. Cross?

STATEMENT OF DOLORES E. CROSS, PRESIDENT, CHICAGO STATE UNIVERSITY, CHICAGO, ILLINOIS

Ms. Cross. Good morning, Congressman Hayes, and members of the Postsecondary Education Subcommittee. It is, indeed, an honor to welcome you to Chicago State University. It is a special pleasure to see a friend and colleague from Newark, New Jersey. Donald went to Berranger High School, and I went to Central High School.

I am aware of his compassion and commitment to help students achieve all they are capable of achieving, and I am very pleased to have this opportunity to testify before you, and to update our views as to where we are right now.

Again, I am Dolores Cross, president of Chicago State University, one of the five universities within the Board of Governors system. Chicago State University is an urban, commuter, multi-purpose university, with a current enrollment of 7,500 students. As president of an urban university, serving a large proportion of underrepresented students, the potential impact of the Reauthorization of Higher Education Act is great.

Chicago State University offers 58 programs of undergraduate study, 26 programs of graduate study, and a number of non-traditional, continuing education course offerings for on and off campus.

This past Saturday, 1,129 students received their undergraduate and graduate degrees from Chicago State University. This was the largest number of individuals to receive degrees from Chicago State University.

Chicago State graduates 30 percent of all of the Afro-Americans who receive degrees in the State of Illinois. Institutional data collected by the Board of Governors indicates that three-fourths, 75 percent, of the students of Chicago State University receive some form of gift aid. That is a higher percentage than at any of the other Board of Governors university. It is also a clear indication of the financial need experienced by the students. Those who borrow at Chicago State to pay for their education, 21 percent have the highest average loan amount. Again, a testimony of their financial needs.

What, then, should be the role of the Federal Government, with respect to student aid programs, and basic educational support services for Chicago State University, and similar institutions? Students who are in college for 7 or 8 years need the sustained support of a financial aid system. Since these students will be in college longer, they will need the insurance that financial aid will be there for as long as they need it.

While it is encouraging that there has been an 87 percent increase in Pell Grant expenditures, an additional disturbing trend is that the maximum Pell amount awarded to the neediest students has increased by only 31 percent. At the same time, college costs have grown by 105 percent.

Another disturbing trend is the disproportionate increase, and how much low income families are expected to pay towards college costs. For example, over a decade, the family contribution for low income families increased by 97 percent, while the increase for mid-income families increased by only 18 percent.

Therefore, the Federal Government, if it is to support access to higher education and retention of minority and low income students, it must: make more grants available to low income students. The funding for the Pell Grant should be increased to address the escalating costs, direct and indirect costs for attending college; direct more student aid at the population of students attending college a mixture of full and part time. These students often tend to be minority and women students; tilt the loan grant balance in favor of more grant funding for low income students. This will ultimately pay off in lower student debt burdens and few defaults; and, the level of expected family contributions must become more realistic. For low income families, we need to remove the constraints of how the family pays the expected family contribution.

Finally, Mr. Hayes, I want to raise with you an extremely important issue that I hope you will take the time to lead during this reauthorization in seeking a solution to. While persons of color represent more than two-thirds of the people of the world, the international affairs of the United States and most of the Nations of the world are carried on by non-minorities. It is my strongly held view that if African-Americans, Asians, Africans, South and Central Americans, and women of all races and nationalities were involved in the formulation and implementation of foreign policy, it would not be so foreign, and the world would be at peace.

Chicago State University plans to embark on a new program after we seek and obtain approval from the Board of Governors and the Illinois Board of Higher Education—a program in foreign language study and international policy formulation. We hope to link up with other Chicago area institutions, including Columbia College of Chicago, and Northeastern Illinois University, to begin the process of developing a corps of minority students who will be prepared to seek a career in foreign service.

I am sure that you and other members have experienced difficulty finding congressional staff to serve as foreign policy advisers on Capitol Hill. While many volunteer and governmental agencies, for example, the Agency of International Development, USIA, Voice of America, the Peace Corps, as well as international bodies, such as the Organization of American States, the United Nations, the World Bank, the Inter-American Development Bank, and the African Development Foundation, to name a few, have experienced the same problem of finding minority staff to work in these agencies.

Our idea is simple and straightforward. A consortium of historically black, predominantly black and Hispanic institutions, as well as tribally controlled Indian community colleges will come together to build a pipeline of African and Hispanic American undergraduate students who will pursue a preparatory foreign service, foreign policy career, by emphasizing foreign language, world history, and international politics as undergraduates.

Additionally, a junior year abroad, summer and academic year internships with international agencies will provide practical, preparational experiences. For those college graduates interested in an immediate foreign service career—a certificated program operated by the TransAfrica Forum—will prepare them to pass the foreign service application. This could be complemented by a master's degree, with Howard University.

We have a draft bill which is attached to my testimony, which we hope you will consider introducing, along with other members of the Congressional, black and Hispanic caucuses, to further this much needed program. We would be pleased to meet with you, other members of the staff, to discuss this program. The Federal Government must support strategy that responds to the differing needs and backgrounds of the students. All students come to college with diverse perspectives, attitudes and aptitudes.

Chicago State University, I am proud to say, is on the cutting edge of developing innovative initiatives to address the diverse needs of individual students. If Chicago State University is to continue and favorably impact student access, retention and success, the Federal Government must support its efforts, as well as similar efforts at other universities. We welcome your support.

Thank you.

[The prepared statement of Delores E. Cross follows:]

DR. DOLORES E. CROSS
PRESIDENT, CHICAGO STATE UNIVERSITY
MAY 24, 1991

TESTIMONY REGARDING THE REAUTHORIZATION OF THE HIGHER EDUCATION ACT

GOOD MORNING,

CONGRESSMAN HAYES AND MEMBERS OF THE POST SECONDARY EDUCATION SUBCOMMITTEE OF THE U.S. HOUSE EDUCATION AND LABOR COMMITTEE.

IT IS INDEED AN HONOR TO HAVE BEEN ASKED TO TESTIFY ON THE IMPORTANCE OF THE REAUTHORIZATION OF THE HIGHER EDUCATION ACT.

I AM DOLORES E. CROSS, PRESIDENT OF CHICAGO STATE UNIVERSITY, ONE OF THE FIVE UNIVERSITIES WITHIN THE BOARD OF GOVERNORS SYSTEM. CHICAGO STATE UNIVERSITY IS AN URBAN, COMMUTER, MULTI-PURPOSE UNIVERSITY WITH A CURRENT ENROLLMENT OF 7500 FULL- AND PART-TIME STUDENTS.

AS PRESIDENT OF AN URBAN UNIVERSITY SERVING A LARGE PROPORTION OF UNDERREPRESENTED STUDENTS, THE POTENTIAL IMPACT OF THE REAUTHORIZATION OF THE HIGHER EDUCATION ACT IS GREAT.

CHICAGO STATE UNIVERSITY OFFERS 58 PROGRAMS OF UNDERGRADUATE STUDY, 26 GRADUATE PROGRAMS, AND A NUMBER OF NONTRADITIONAL, CONTINUING EDUCATION COURSE OFFERINGS BOTH ON AND OFF-CAMPUS.

INSTITUTIONAL DATA COLLECTED BY THE BOARD OF GOVERNORS INDICATES THAT THREE-FOURTHS (75%) OF STUDENTS AT CHICAGO STATE RECEIVE SOME FORM OF GIFT AID. THAT IS A HIGHER PERCENTAGE THAN AT ANY OF THE OTHER BOARD OF GOVERNORS UNIVERSITIES. IT IS ALSO A CLEAR INDICATION OF THE FINANCIAL NEED EXPERIENCED BY THE STUDENTS. THOSE WHO ALSO BORROW TO PAY FOR EDUCATION (21%) HAVE THE HIGHEST AVERAGE LOAN AMOUNT, AGAIN A TESTIMONY TO THEIR FINANCIAL NEED.

IN ADDITION TO FINANCIAL NEED, MANY OF OUR STUDENTS, LIKE STUDENTS AT MANY URBAN UNIVERSITIES, ARE AT RISK OF NOT PERSISTING TO GRADUATION. THERE ARE MANY CONCERNS VYING FOR THEIR ATTENTION, AND THEY MAY BE ACADEMICALLY UNDERPREPARED. WITHOUT A STRONG SYSTEM OF SUPPORT SERVICES TAILORED TO INDIVIDUAL STUDENT NEEDS, MANY WILL NOT PERSIST TO GRADUATION. AND THOSE WHO DO PERSIST MAY DO SO THROUGH A COMBINATION OF FULL- AND PART-TIME, TAKING SEVEN OR EIGHT YEARS TO COMPLETE A BACHELORS DEGREE PROGRAM.

WHAT THEN SHOULD THE ROLE OF THE FEDERAL GOVERNMENT BE WITH RESPECT TO STUDENT AID PROGRAMS AND BASIC EDUCATIONAL SUPPORT SERVICES FOR CHICAGO STATE UNIVERSITY AND SIMILAR INSTITUTIONS?

STUDENTS WHO ARE IN COLLEGE FOR SEVEN OR EIGHT YEARS NEED THE SUSTAINED SUPPORT OF A FINANCIAL AID SYSTEM.

IF THEY RECEIVE AID FOR FOUR YEARS AND THEN ARE LEFT OUT THERE ON THEIR OWN, THEY MAY NOT PERSIST. THEY MUST KNOW EARLY AND FOR CERTAIN THAT THE FINANCIAL AID WILL BE THERE, WHEN THEY NEED IT, ON A TIMELY BASIS. IT IS CRITICAL THAT STUDENTS HAVE COMPLETE INFORMATION EARLY ENOUGH TO PLAN FOR AND CONTINUE THEIR EDUCATION.

SINCE THESE STUDENTS WILL BE IN COLLEGE LONGER, THEY WILL NEED ASSURANCE THAT FINANCIAL AID WILL BE THERE FOR AS LONG AS THEY NEED IT. BUT IT IS EVEN MORE CRITICAL FOR POLICYMAKERS TO REVIEW THE INTENT OF FINANCIAL AID AS WELL AS THE TRENDS IN FINANCIAL AID SUPPORT THAT STUDENTS AND PARENTS EXPERIENCE TODAY.

IN EXAMINING THE FEDERAL AND STATE RESPONSES TO ESCALATING COLLEGE COSTS, NATIONAL STUDENT FINANCIAL AID STATISTICS OVER THE LAST DECADE HAVE EXHIBITED SOME DISTURBING TRENDS. THE MOST STRIKING OF THESE IS THE FACT THAT STUDENT AID HAS CLEARLY FAILED TO KEEP PACE WITH RISING COLLEGE COSTS DURING THE 1980'S.

ANOTHER TREND THAT EMERGED DURING THE DECADE WAS A GROWTH IN THE PERCENTAGE OF AID THAT IS ADMINISTERED IN THE FORM OF LOANS. IN 1980-81, LOANS COMPRISED 40% OF ALL AID AWARDED. BY 1987-88, THAT PROPORTION HAD GROWN TO JUST OVER 50%, CAUSING CONCERN ABOUT HIGH LEVELS OF STUDENT INDEBTEDNESS AND GROWTH IN STUDENT LOAN DEFAULTS.

WHILE IT IS ENCOURAGING THAT THERE HAS BEEN AN 87% INCREASE IN PELL GRANT EXPENDITURES, AN ADDITIONAL DISTURBING TREND IS THAT THE MAXIMUM PELL AMOUNT AWARDED TO THE NEEDIEST STUDENTS HAS INCREASED BY ONLY 31%, AT THE SAME TIME THAT COLLEGE COSTS HAVE GROWN BY 105%.

ANOTHER DISTURBING TREND IS THE DISPROPORTIONATE INCREASE IN HOW MUCH LOW-INCOME FAMILIES ARE EXPECTED TO PAY TOWARD COLLEGE COSTS. FOR EXAMPLE, OVER A DECADE, THE FAMILY CONTRIBUTION FOR LOW-INCOME FAMILIES INCREASED BY 97%, WHILE THE INCREASE FOR MID-INCOME FAMILIES INCREASE BY ONLY 18%.

REGARDLESS OF HOW THESE FACTS ARE INTERPRETED, A MESSAGE HAS ALREADY COME THROUGH THAT IS ENTIRELY INAPPROPRIATE. IT SAYS THAT WHILE THE FEDERAL GOVERNMENT IS SAYING THAT COLLEGES SHOULD INCREASE THEIR MINORITY ENROLLMENTS, AT THE SAME TIME IT IS TYING THEIR HANDS IN BEING ABLE TO OFFER FINANCIAL ASSISTANCE. MUCH DAMAGE HAS ALREADY BEEN DONE TO MINORITY STUDENTS WHO, THINKING THAT MONEY FOR THEIR EDUCATION HAS BEEN LOST, WILL BE TOO DISCOURAGED TO APPLY.

THEREFORE, THE FEDERAL GOVERNMENT, IF IT IS TO SUPPORT ACCESS TO HIGHER EDUCATION AND RETENTION OF MINORITY AND LOW-INCOME STUDENTS, IT MUST:

* MAKE MORE GRANT AVAILABLE TO LOW-INCOME STUDENTS. FUNDING FOR THE PELL GRANT PROGRAM SHOULD BE INCREASED TO ADDRESS THE ESCALATING DIRECT AND INDIRECT COSTS OF COLLEGE ATTENDANCE;

* DIRECT MORE STUDENT AID AT THE POPULATION OF STUDENTS ATTENDING COLLEGE A MIXTURE OF PART- AND FULL-TIME. THESE STUDENTS OFTEN TEND TO BE MINORITY AND WOMEN STUDENTS;

* TILT THE LOAN/GRANT BALANCE IN FAVOR OF MORE GRANT FUNDING FOR LOW-INCOME STUDENTS. THIS WILL ULTIMATELY PAY OFF IN LOWER STUDENT DEBT BURDENS AND FEWER DEFAULTS; AND

* THE LEVELS OF EXPECTED FAMILY CONTRIBUTIONS MUST BECOME MORE REALISTIC. FOR LOW-INCOME FAMILIES, WE NEED TO REMOVE THE CONSTRAINTS ON HOW THE FAMILY PAYS FOR THE EXPECTED FAMILY CONTRIBUTION.

IN REFERENCE TO BASIC EDUCATION SUPPORT PROGRAMS, THE FEDERAL GOVERNMENT MUST EXPAND ITS ROLE. THE EXPANSION SHOULD BE IN THE DIRECTION OF EARLY INTERVENTION AND INCREASING THE NUMBER OF ELIGIBLE PARTICIPANTS SERVED.

THE RECENT TREND TOWARD EARLY INTERVENTION IN THE FEDERAL GOVERNMENT'S BASIC EDUCATIONAL SUPPORT PROGRAMS IS KEY TO ADDRESSING THE EDUCATIONAL NEEDS OF STUDENTS. THIS IS PARTICULARLY TRUE FOR MINORITY STUDENTS AND STUDENTS FROM LOW-INCOME FAMILIES. PROGRAMS SUCH AS THE TRIO PROGRAMS MUST BE EXPANDED TO A LARGER NUMBER OF PARTICIPANTS. IT IS ESTIMATED FOR EXAMPLE, THAT THESE PROGRAMS ONLY RESPOND TO TWO PERCENT OF THE STUDENTS IN NEED OF SERVICE AT THE COLLEGE LEVEL AND ONE PERCENT AT THE JUNIOR AND HIGH LEVELS.

IN ADDITION, IN ORDER FOR INSTITUTIONS OF HIGHER EDUCATION LIKE CHICAGO STATE UNIVERSITY, TO MAINTAIN ITS MOMENTUM IN ADDRESSING THE NEEDS OF ITS STUDENTS, IT MUST BE EMPHASIZED THAT THE PRIMARY OBJECTIVE OF THE FEDERAL GOVERNMENT IN SUPPORTING BASIC EDUCATIONAL PROGRAMS IS TO ENSURE ACCESS, ENHANCE RETENTION AND INCREASE GRADUATION RATES.

THUS, WE MUST LOOK FOR CONNECTEDNESS BETWEEN VARIOUS PROGRAMS AS THEY RELATE TO THE INSTITUTIONAL MISSION. AT CHICAGO STATE UNIVERSITY WE HAVE SET AS OUR PRIMARY GOAL THE SUCCESS OF OUR STUDENTS. FOR EXAMPLE, AS A RESULT OF THE IMPLEMENTATION OF STUDENT SUCCESS INITIATIVES, WE HAVE:

* REDUCED THE FIRST-YEAR FRESHMAN DROP-OUT RATE FROM 25 PERCENT TO LESS THAN FOUR PERCENT;

* AWARDED FACULTY INCENTIVE GRANTS TO ENHANCE THE ROLE THAT FACULTY PLAY IN THE SUCCESS OF STUDENTS; AND WE HAVE

- ESTABLISHED AN OFFICE OF ACADEMIC SUPPORT SERVICES WHICH MONITORS STUDENTS AT SIX, NINE AND 12-WEEK INTERVALS AND OFFERS IMMEDIATE ACADEMIC AND PERSONAL SUPPORT TO THOSE WHO NEED IT.

FINALLY, MR. HAYES I WANT TO RAISE WITH YOU AN EXTREMELY IMPORTANT ISSUE THAT I HOPE YOU WILL TAKE THE LEAD DURING THIS REAUTHORIZATION IN SEEKING A SOLUTION TO. WHILE PERSONS OF COLOR REPRESENT MORE THAN TWO-THIRDS OF THE PEOPLE OF THE WORLD, THE INTERNATIONAL AFFAIRS OF THE UNITED STATES AND MOST OF THE NATIONS OF THE WORLD ARE CARRIED ON BY WHITES. IT IS MY STRONGLY HELD VIEW THAT IF AFRICAN AMERICANS, ASIANS, AFRICANS, SOUTH AND CENTRAL AMERICANS AND WOMEN OF ALL RACES AND NATIONALITIES WERE INVOLVED IN THE FORMULATION AND IMPLEMENTATION OF FOREIGN POLICY -- IT WOULD NOT BE SO FOREIGN AND THE WORLD WOULD BE AT PEACE!.

CHICAGO STATE UNIVERSITY PLANS TO EMBARK ON A NEW PROGRAM, AFTER WE SEEK AND OBTAIN APPROVAL FROM THE BOARD OF GOVERNORS AND THE ILLINOIS BOARD OF HIGHER EDUCATION, A NEW PROGRAM IN FOREIGN LANGUAGE STUDY AND INTERNATIONAL POLICY FORMULATION. WE HOPE TO LINK UP WITH OTHER CHICAGO AREA INSTITUTIONS, INCLUDING COLUMBIA COLLEGE OF CHICAGO AND NORTHEASTERN ILLINOIS UNIVERSITY, TO BEGIN THE PROCESS OF DEVELOPING A CORE OF MINORITY STUDENTS WHO WILL BE PREPARED TO SEEK A CAREER IN THE FOREIGN SERVICE.

I AM SURE THAT YOU AND OTHER MEMBERS OF THE CONGRESSIONAL BLACK CAUCUS HAVE EXPERIENCED DIFFICULTY FINDING CONGRESSIONAL STAFF TO SERVE AS FOREIGN POLICY ADVISORS ON CAPITOL HILL. MANY VOLUNTEER AND GOVERNMENTAL AGENCIES, E.G. THE AGENCY FOR INTERNATIONAL DEVELOPMENT, USIA, VOICE OF AMERICA, THE PEACE CORPS, AS WELL AS INTERNATIONAL BODIES SUCH AS THE ORGANIZATION OF AMERICAN STATES, THE UNITED NATIONS, THE WORLD BANK, THE INTER-AMERICAN DEVELOPMENT BANK AND THE AFRICAN DEVELOPMENT FOUNDATION TO NAME JUST A FEW, HAVE EXPERIENCED THE SAME PROBLEM.

OUR IDEA IS SIMPLE AND STRAIGHTFORWARD. A CONSORTIUM OF HISTORICALLY BLACK, PREDOMINANTLY BLACK AND HISPANIC INSTITUTIONS, AS WELL AS THE TRIBALLY-CONTROLLED INDIAN COMMUNITY COLLEGE, WOULD COME TOGETHER TO BUILD A "PIPELINE" OF AFRICAN AND HISPANIC AMERICAN UNDERGRADUATE STUDENTS WHO WOULD PURSUE A PREPARATORY FOREIGN SERVICE/FOREIGN POLICY CAREER BY EMPHASIZING FOREIGN LANGUAGE, WORLD HISTORY AND INTERNATIONAL POLITICS AS UNDERGRADUATES. ADDITIONALLY, A JUNIOR YEAR ABROAD, SUMMER AND ACADEMIC YEAR INTERNSHIPS WITH INTERNATIONAL AGENCIES WOULD PROVIDE PRACTICAL PREPRARATIONAL EXPERIENCES. FOR THOSE COLLEGE GRADUATES INTERESTED IN AN IMMEDIATE FOREIGN SERVICE CAREER -- A CERTIFICATED PROGRAM OPERATED BY THE TRANSAFRICA FORUM -- WILL PREPARE THEM TO PASS THE FOREIGN SERVICE EXAMINATION.

THIS WOULD BE COMPLEMENTED BY A MASTERS DEGREE PROGRAM AT THE UNIVERSITY OF THE DISTRICT OF COLUMBIA OR HOWARD UNIVERSITY IN INTERNATIONAL PUBLIC POLICY FORMULATION. PORTABLE DOUGLASS FELLOWSHIPS ($15,000 PER ACADEMIC YEAR FOR A MAXIMUM OF TWO YEARS) WOULD ALSO ALLOW STUDENTS TO ATTEND OTHER INSTITUTIONS WITH A "MEMORANDUM OF UNDERSTANDING" WITH THE HOST INSTITUTION (UNDC OR HOWARD.)

WE HAVE A DRAFT BILL, WHICH IS ATTACHED TO MY TESTIMONY, WHICH WE HOPE YOU WILL CONSIDER INTRODUCING -- ALONG WITH OTHER MEMBERS OF THE CONGRESSIONAL BLACK AND HISPANIC CAUCUSES -- TO FURTHER THIS MUCH NEEDED PROGRAM. WE WOULD BE VERY PLEASED TO MEET WITH YOU AND YOUR STAFF TO DISCUSS THIS MATTER FURTHER. WE RECOGNIZE THE NEED TO FIRM UP MANY OF THE DETAILS IN THIS CONCEPT, BUT WE HOPE YOU WILL AGREE THAT THE NEED IS GREAT AND THAT THE TIME IS NOW TO MOVE IN THIS IMPORTANT AREA.

THE FEDERAL GOVERNMENT MUST SUPPORT STRATEGIES THAT RESPOND TO THE DIFFERING NEEDS AND BACKGROUND OF STUDENTS. ALL STUDENTS COME TO COLLEGE WITH DIVERSE PERSPECTIVES, ATTITUDES AND APTITUDES.

CHICAGO STATE UNIVERSITY IS ON THE CUTTING EDGE OF DEVELOPING INNOVATIVE INITIATIVES TO ADDRESS THE DIVERSE NEEDS OF EACH INDIVIDUAL STUDENT. IF CHICAGO STATE UNIVERSITY IS TO CONTINUE TO FAVORABLY IMPACT STUDENT ACCESS, RETENTION AND SUCCESS, THE FEDERAL GOVERNMENT MUST SUPPORT ITS EFFORTS AS WELL AS SIMILAR EFFORTS AT OTHER UNIVERSITIES. WE WELCOME THAT SUPPORT.

Amendment to Title VI, HEA

Part E
Minority Foreign Service Professional Development Program and the

INSTITUTE FOR INTERNATIONAL PUBLIC POLICY

Section 630. (a) Program and Consortia Authorized. There is authorized to be established at The Howard University in the District of Columbia in consortium with American University, Bennett College, Bowie State University, California State University at Los Angeles, Chicago State University, Cleveland State University, Columbia College of Chicago, Georgetown University, the Johns Hopkins University School for Advanced International Studies, Lincoln University of Pennsylvania, New Mexico Highlands University, Northeastern Illinois University, Tougaloo College, University of Texas, Southmost (Pan American University), Wayne State University, West Virginia State College, Wilberforce University and Xavier University of New Orleans, a program to significantly increase the numbers of African Americans and other minorities in the foreign service of the United States. The academic and professional development program will be located in the Institute for International Public Policy at Howard University in the District of Columbia in Washington, D.C., which is created by this Act. (b) Cooperative Institutions. -- Any institution of higher education, as defined in section 1201 of the Act, that wishes to participate in any or all aspects of the program authorized by this Part, may enter into a Memorandum of Understanding with Howard University.

Section 631. Academic Program. The academic program shall include: (a) international policy formulation; (b) foreign service training/education; (c) foreign language study; (d) international economics and politics; (e) public information communication and dissemination; (f) Junior Year Abroad and Summer Internships Opportunities; (g) Graduate Fellowships; (h) Undergraduate [illegible] program; and (i) Foreign Service Examination preparation program.

Section 632. Junior Year Abroad. The Academic Year Abroad program shall be open to eligible students at participating institutions of higher education, including historically black colleges and universities as defined in section 322(2) of this Act, tribally-controlled Indian community colleges as defined in the Tribally Controlled Community College Assistance Act, and other institutions of higher education with significant minority student populations. Eligible students, whose expenses shall be shared by Howard University in the District of Columbia and the nominating institution, may spend up to nine months abroad in a program of academic study, as well as social, familial and political interactions designed to foster an understanding of and familiarity with the language, culture, economics and governance of the host country.

Section 633. (a) Graduate Program. - The Howard University in the District of Columbia will provide, in cooperation with the other consortium institutions, a program of study leading to the Masters Degree in International Relations. The Masters Degree program designed by the consortia institutions shall be reviewed and approved by the Board of Visitors. (b) Frederick Douglass Fellowships. - The Frederick Douglass International Fellowship is created in honor of the first African American ambassador to Haiti and shall be awarded for not more than two years and not to exceed a total of $30,000. (c) The University is authorized, from the funds appropriated under section 639, to grant Frederick Douglass Fellowships, in the amount of $15,000 per annum, to students who have completed the baccalaureate degree, to undertake full-time study at Howard University in the District of Columbia or any institution of higher education which enter into a Memorandum of Understanding with Howard University, and who agree to enter the foreign service of the United States and serve two years for each one year of fellowship assistance received.

Section 634. Internships. - The regular academic program at participating undergraduate institutions shall be supplemented by academic year internships during the junior and senior year and summer internships following the sophomore and junior academic years, by work placements with an international voluntary or government agency, including the Agency for International Development, the U. S. Information Agency, the International Monetary Fund, the National Security Council, the African Development Foundation, the Organization of American States, the Organization for African Unity, the Overseas Private Investment Corporation, the Department of State, Office of the U.S. Trade Representative, The World Bank, and The United Nations.

Section 635. - Board of Visitors. (a) There shall be appointed a twenty-one member Board of Visitors for the Institute for International Public Policy, including three ex-officio members, one of whom shall be designated by the Secretary of Education and one of whom shall be designated by the Secretary of State. The President of Howard University in the District of Columbia shall also serve as an ex-officio member of the Board of Visitors. The President of each of the Consortia institutions shall also name one representative to the Board of Visitors who shall meet the criteria set forth in section 635(b) of this Title. The Board shall review and advise the President of the University with respect to all aspects of the academic program and shall submit an annual report to the Secretary of Education and to the Secretary of State on the Institute's activities and accomplishments, on the progress of the academic program, and shall include a statistical analysis of the placement of minorities in the foreign service.

Qualifications. (b) The qualifications for service on the Board of Visitors shall include: (1) previous experience in the foreign service, including appointive service as an Ambassador or another diplomat; (2) academic experience in instruction or research and writing in international political, economic or social areas; (3)

extensive practical or professional experience in overseas business, development or international voluntary work; or (4) governmental experience in the foreign service or voluntary service.

Section 636. - (a) Definitions. As used in this Part: (1) An "eligible student" for the Junior Year Abroad program is a student who is enrolled full-time in an affiliated institution of higher education, is pursuing a baccalaureate degree in an approved course of study and shall have completed sixty (60) hours toward the degree, and be entering the third year of study at the institution which nominates him/her for participation in the Junior Year-Abroad program; (2) an "affiliated institution" is an institution of higher education as defined in section 1201 of this Act which subscribes to the basic goals of the Minority Foreign Service Professional Development program, has entered into a Memorandum of Understanding with the University of the District of Columbia to provide the requisite academic preparation for students participating in the Junior Year Abroad or Summer Internship programs, and agrees to pay one-half the cost of each student it nominates for participation in the Junior Year Abroad program, and meets such other requirements as the Secretary of Education may from time to time, by regulation, reasonably require, and which is concurred in by the Board of Visitors.

(b) Match Required. An applicant under Part E and the organizations associated with its application shall contribute to the conduct of the program supported by the grant an amount, from non-Federal sources, equal to at least one-fourth the amount of the grant, which contribution may be in cash or in services, supplies, or equipment.

Section 637. Gifts and Donations. - The President of Howard University in the District of Columbia is authorized to receive, on behalf of the Institute for International Public Policy, money and other property donated, bequeathed or devised to the Institute with or without a condition or restriction, for the purpose of providing financial support for the Frederick Douglass Fellowships or underwriting the cost of the Junior Year Abroad Program. All funds or property given, devised or bequeathed shall be retained in a separate account at the Independence Federal Savings Bank or other similar financial institution, and an accounting of those funds and property shall be included in the annual report of the Board of Visitors to the Secretary of Education and the Secretary of State.

Section 638. Delegation. The Consortia institutions and Howard University in the District of Columbia shall delegate to a non-profit institution in the District of Columbia the administration of the Foreign Service Examination preparation and the International Careers Program, which may include the Junior-Year Abroad and the Academic Year and Summer Internship programs.

Section 639. Authorization. There is authorized to be appropriated for Fiscal Year 1992 $15 million to carry out the purposes of sections 630-34 and such sums as may be necessary for each succeeding fiscal year.

Mr. **Hayes**. Thank you very much. And, if time will permit, we will hear the other four witnesses on this panel, and then we will begin our questioning and comments after the testimony.

Let me suggest, as an item of procedure, we do have copies of all your testimony. If you would like to deal with highlights of your testimony, I am sure that your entire testimony will be made a part of the record, as you have it prepared. We would like to have you, if you could, deal with high points in your testimony, and then we will proceed with our questioning after you are all finished. Thank you very much.

Mr. Collens? Is it Coallens or Collens?

Mr. **Collens**. It is Collens. I just do not spell it right.

Mr. **Hayes**. All right. That is what threw me off.

STATEMENT OF LEWIS COLLENS, PRESIDENT, ILLINOIS INSTITUTE OF TECHNOLOGY, CHICAGO, ILLINOIS

Mr. **Collens**. Mr. Chairman, I would like to begin by thanking you and the members of your committee for providing me with the opportunity to testify before you today.

As you know, and as Congressman Payne mentioned in his opening remarks, the number of America's secondary students planning to pursue higher education in preparation for careers in science and engineering has declined dramatically in recent years. In fact, its decline has prompted the National Science Foundation to issue some pretty frightening warnings about what faces us early next century.

According to the National Science Foundation, the supply and quality of human resources available for the Nation's scientific and technological activities has become an issue of paramount concern, because highly skilled scientists and engineers who are vital in meeting national challenges in areas such as scientific research, education, technological competitiveness and national defense, are not being produced by America's universities at a rate fast enough to keep up with national and international growth.

Of particular concern is the historic underrepresentation of racial and ethnic minorities in the science and engineering professions. Perhaps most alarming is the fact that in America's universities, where the foundations are now being laid for minority participation in science and engineering for the decades ahead, the statistics show similarly low minority representation.

Because minorities comprise the fastest growing segment of the U.S. population today, the National Science Foundation reports that statistics reflecting their underrepresentation in the science and engineering professions, and in the educational programs that will prepare them for careers in those fields, raise important concerns for U.S. policy makers.

In my estimation, these statistics are more than important. They are truly alarming. And unless steps are taken immediately, today, to begin to correct them, the future of the Nation in terms of international competitiveness, economic well being, and national security, may well be at risk.

Leaders in both the Congress and the Bush Administration have responded to this warning by identifying the improvement of minority participation in the science and engineering professions as a national policy priority. That was an important step. But, we must do more. We must develop a national strategy for translating that policy initiative into a realistic and effective plan of action.

Mr. Chairman, I come before you today to suggest that our Nation's universities must step up and play a significant and greatly expanded role in helping to solve this problem. Later this year, when you begin your rewrite of the Higher Education Act, I hope you will consider including funding to encourage universities to utilize their academic resources to establish innovative and aggressive programs of outreach to minority students at all stages in their academic careers.

Mr. Chairman, we at IIT have embarked on just such a program, and have already had tremendous success. Based on our success, we have the experience and expertise in identifying and promoting minority participation in science and engineering to contribute to this important process. As you know, IIT is located on the south side of Chicago, a city that is rich in ethnic and racial diversity.

Several years ago, we at IIT realized that our student body did not adequately reflect the diversity of the community. We decided that our interests, the interests of our community, and the interest of the Nation as a whole would be well served if we were able to broaden the racial and ethnic base of our student population to include greater minority representation.

Toward that end, we have developed and currently operate various minority outreach programs aimed at the identification and promotion of minority science and engineering students on the south side of Chicago. Through these programs, our goal has been to create an environment in which those minority adolescents from elementary and secondary schools, who have interest and abilities in science and engineering, are identified early, and encouraged vigorously to pursue higher education in preparation for professional careers in those areas.

Through our Community Hawk Program, IIT provides elementary school students from nearby public housing developments with the opportunity to participate in on-campus computer workshops. Participants in this program gain not only access to computer technology which might otherwise be unavailable to them, but also exposure to a university setting, often for the first time. Over 300 students have participated in this program to date.

Through our computer and mathematical modeling program, we invite freshman, sophomores and juniors from area high schools to spend 3 weeks during their summer break on our campus. Six hundred participants have left the program with new confidence in their ability to compete and excel in the college environment.

Our early identification program allows minority high school students with interests or abilities in science and engineering to come to the campus for an 8 week summer session at the end of their junior year. During that session, participants are provided with college level math and science instruction, hands on research experience, career awareness activities, including trips to local engineering firms. Over 85 percent of the participants in the program over the last 3 years have attended college immediately after graduation from high school.

And, finally, our summer bridge program is an 8 week residential program designed to address special social and academic needs of minority seniors planning to attend IIT in the fall. Many of those students are not adequately prepared for the social and financial pressures and the academic rigors of college level scientific study. But, with proper identification and individual attention, their transition to higher education is made significantly easier.

Each of these programs is grounded in IIT's exceptional academic resources and technological capabilities, and supported by minority faculty members and students from IIT, who serve as role models and mentors to program participants.

Minority enrollment at IIT has increased from just 2 percent to over 20 percent since the implementation of the first of these programs in 1984.

In addition, 60 percent of IIT's minority students successfully complete their undergraduate degree programs. This level of retention is twice the national average.

Unfortunately, hundreds of minority students across America continue to be denied the opportunity provided the adolescents in the Chicago area, through programs like IIT.

I am hopeful that the Federal Government will join in partnership with IIT by providing Federal funding under the Higher Education Act to help us expand our programs, and offer them as models for other urban universities, in pursuit of a similar goal of improving science and engineering education for minorities.

I believe that nothing short of a nationwide effort is required, if America's scientific and technological institutions are to again become truly representative of all of America's citizens.

Thank you, Mr. Chairman, for giving me and my institution the opportunity to testify.

[The prepared statement of Lewis Collens follows:]

Testimony of Lewis M. Collens
President, Illinois Institute of Technology
Before the House Education and Labor Committee
May 24, 1991
Chicago, Illinois

Mr. Chairman, I would like to begin by thanking you and the members of your Committee for providing me with the opportunity to testify before you today as you begin considering reauthorization of the Higher Education Act. Specifically, I would like to focus my comments on the crisis in science and engineering education our nation currently faces and on how the federal government, through the Higher Education Act and with the help of America's universities, can and should help to solve this critical problem.

As you know, the number of America's secondary students planning to pursue higher education in preparation for careers in science and engineering has declined dramatically in recent years. In fact, it's decline enough to prompt the National Science Foundation to issue warnings that the nation's personnel needs will not be met in those professions in the near future unless immediate steps are taken to reverse this trend.

According to the NSF, the supply and quality of human resources available for the nation's scientific and technological activities has became "an issue of paramount concern," because highly-skilled scientists and engineers, who are "vital in meeting national challenges in areas such as scientific research, education, technological competitiveness, and national defense" are not being produced by America's universities at a rate fast enough to keep pace with national and international growth in those fields.

Of particular concern is the historic under-representation of racial and ethnic minorities in the science and engineering professions. In a report on minority participation in science and engineering issued last year, the NSF noted that minorities--especially blacks and Hispanics--have been, and continue to be, represented in disproportionately low numbers among the ranks of America's scientists and engineers.

According to that report:

- In 1988, only about 2.6 percent of all employed scientists and engineers in the United States were black. In comparison, blacks accounted for 10 percent of all United States workers in that year.

- In the same year, Hispanics of all racial groups represented less than two percent of employed scientists and engineers in the United States. In 1987, about seven percent of all employed individuals in the United States were Hispanic.

In America's universities, where the foundations are now being laid for minority participation in science and engineering for decades to come, the statistics are similar:

- According to the NSF, black students received only 5.5 percent of all undergraduate science and engineering degrees conferred in 1987. Even more disturbing is the fact that this figure represents a decline from the decade before.

- Hispanic representation among science and engineering baccalaureate recipients was 3.8 percent in 1987, up from 2.8 percent in 1977 but still below the proportion of Hispanics in the college-age population during that year.

- On the graduate level, only about 12,000 black students--only four percent of the total--were enrolled in advanced degree programs in science and engineering in 1988. Only 10,000 Hispanic students--just 3.3 percent of the total--were enrolled in such programs.

Because minorities comprise the fastest growing segment of the U.S. population today, the NSF reports that statistics reflecting their under-representation in the science and engineering professions, and in the educational programs that would prepare them for careers in those fields, raise "important" concerns for U.S. policy-makers.

In my estimation, these statistics are more than important; they are truly alarming. Unless steps are taken immediately--today--to begin to correct them, the future of the nation--in terms of international competitiveness, economic well-being, and national security--may well be at risk.

Leaders in both the Congress and the Bush Administration have responded to this warning by identifying the improvement of minority participation in the science and engineering professions as a national policy priority. That was an important step, but we must do more; we must develop a national strategy for translating that policy initiative into a realistic and effective plan of action.

Mr. Chairman, I come before you today to suggest that our nation's universities must step up and play a significant and greatly expanded role in helping to solve this problem. Later this year, when you begin your rewrite of the Higher Education Act, I hope you'll consider including funding to encourage universities to utilize their academic resources to establish innovative and aggressive programs of outreach to minority students at all stages in their academic careers.

Mr. Chairman, we at IIT have embarked on just such a program and have already had tremendous success. Based on our success, we have the experience and expertise in identifying and promoting minority participation in science and engineering to contribute to this important process.

As you know, IIT is located on the southside of Chicago, a city rich in ethnic and racial diversity. Several years ago, we at IIT realized that our student body did not adequately reflect the diversity of that community. We decided that our interests, the interests of our community, and the interests of the nation as a whole would be well served if we were able to broaden the racial and ethnic base of our student population to include greater minority representation.

Toward that end, IIT developed and is currently operating various minority outreach programs aimed at the identification and promotion of minority science and engineering students from the South Chicago area. Through these programs, our goal has been to create an environment in which those minority adolescents from elementary and secondary schools in our community who have interests and abilities in science and engineering are identified early and encouraged vigorously to pursue higher education in preparation for professional careers in those areas. Because I believe the success of these programs makes them worthy of consideration as national models, I would like to take a few moments to describe them to you.

Through its Community Hawk Program, IIT provides elementary-school students from nearby housing projects with the opportunity to participate in on-campus computer workshops, where they learn word processing and database creation and management techniques. Participants in this program gain not only access to computer technology which might otherwise be unavailable to them, but also exposure to a university setting, often for the first time. Over 300 students have participated in this program to date.

In our Computer and Mathematical Modeling Program, we invite freshman, sophomores, and juniors from area high schools to spend three weeks during their summer break on IIT's campus, attending lectures, working in scientific laboratories, and using computers to analyze the results of experiments they conduct. The program's 600 participants have left the program with new confidence in their ability to compete and excel in a college environment.

In our Early Identification Program, minority high-school students with interests or abilities in science and engineering are identified and brought to IIT's campus for an eight-week summer session at the end of their junior year. During that session, participants are provided with college-level mathematics and science instruction; hands-on research experience; career-awareness activities including trips to local engineering firms and visits by minority professionals; and guidance during the college admission and financial aid application process. Over 85 percent of the program's 120 participants in the past three years went on to attend college immediately after graduation from high school.

Finally, the Summer Bridge Program at IIT is an eight-week residential program designed to address the special social and academic needs of minority seniors planning to attend IIT in the fall. Many of those students are inadequately prepared for both the social and financial pressures and the academic rigors college level scientific study presents, but with proper identification and individual attention, their transitions to higher education have been eased significantly. In addition, through a visiting speaker's program, program participants are introduced to minority alumna and local science and engineering professionals, who provide them with invaluable encouragement during this critical first step toward careers in science and technology.

Each of these programs is grounded in IIT's exceptional academic resources and technological capabilities and supported by minority faculty members and students from IIT, who serve as role models and mentors to program participants.

Attesting to the success of our programs, minority enrollment at IIT has increased from just two percent to over twenty percent since the implementation of the first of these programs in 1984. In addition, sixty percent of IIT's minority students successfully complete their undergraduate degree programs. This level of retention is twice the national average for similar student populations.

The successful programs I have described today reflect IIT's strong commitment to rebalancing the representation of minorities in the science and engineering fields through the earliest possible identification and greatest practicable encouragement of minority students in science and technology.

Unfortunately, hundreds of minority students across America continue to be denied the opportunities provided to adolescents in the Chicago area through IIT's programs. I am hopeful that the federal government will join in partnership with IIT by providing federal funding under the Higher Education Act to help us expand our programs and offer them as models for other urban universities in pursuit of the similar goal of improving science and engineering education for minorities. I believe that nothing short of a nationwide effort is required if America's scientific and technological institutions are to again become truly representative of all of America's citizens and I hope that effort will be fully underway in the very near future.

Thank you, Mr. Chairman, for giving me and my institution the opportunity to testify.

Mr. **Hayes**. Thank you. Ms. Dane?

STATEMENT OF KENDRA E. DANE, DIRECTOR OF FINANCIAL AID, NATIONAL-LOUIS UNIVERSITY, EVANSTON, ILLINOIS

Ms. **Dane**. Good morning, Congressman Hayes and my fellow colleagues. My name is Kendra Dane, and I am the director of financial aid for National-Louis University. For the record, we spell it L-O-U-I-S. My apologies. We thank you for the opportunity to testify this morning on the Reauthorization of the Higher Education Act of 1965.

National-Louis University is a private, co-educational, medium sized institution of higher education, based in Evanston, Illinois. In addition, we operate campuses in Chicago, at 18 South Michigan Avenue, and west suburban Lombard. In addition, adult oriented academic centers of the university are in Milwaukee-Beloit, Wisconsin, St. Louis, Missouri, Atlanta, Georgia, Tampa, Florida, McLean, Virginia, and Heidelberg, Germany.

N.L.U. annually serves approximately 16,000 individuals in graduate and undergraduate degrees at these locations. In an article on baby boom affluence in the May 1991 American Demographics Magazine, it was noted that there is no better route to affluence than a college degree. The average monthly earnings of people with a bachelors degree are more than twice as high as those of people who stopped with a high school diploma.

In addition, the earnings of college graduates are rising faster than inflation, while those of high school graduates are barely keeping up with the cost of living. Today, National-Louis University is uncommon among colleges and universities in its commitment to distinctive programming and delivery systems.

It is highly successful in serving students who are traditional to higher education. In addition, the university is unparalleled in serving a broad range of others who typically find it difficult to continue their education, specifically: adults who are currently employed; immigrants and other language minorities with limited English skills; individuals who are academically underprepared; and adults contemplating career changes or pursuing new professions.

Mr. **Hayes**. If you would just pull the mike a little closer. You have a very soft voice, as you know.

Ms. **Dane**. The continuation of National-Louis University and similar institutions, whose mission it is to provide a quality education to all is dependent not only on continued but increased funding of the financial aid programs authorized by the Higher Education Act of 1965.

During the 1989–1990 academic year, 74 percent of NLU's dependent undergraduate population came from families with annual incomes below $36,000. Fifty-five percent of our independent undergraduate students have family incomes below $15,000 during that same year. Seventy-five percent of our current undergraduate population are aged 25 or over. They are necessarily the non-traditional population, and we are definitely serving a needy student populous.

Congressman Hayes, between 1985 and December of 1990, National-Louis University graduated 512 students from the 1st Congressional District of Illinois. Of this number, 241 received graduate degrees, 271 received undergraduate degrees.

During the fall of 1990 term, 496 students from your district attended National-Louis University. This figure represents 7.17 percent of our total fall time head count enrollment in Illinois. Of this group of 496 students, 66 percent were black, 19 percent were Asian, 6.5 percent were white, and 6 percent were Hispanic. Many of these students attended our Chicago campus, where 61 percent of our undergraduate population are minority students.

Seventy-six percent, or 870 of our total 1,135 undergraduate students at our Chicago campus will receive assistance through the Pell Grant program this year, for a campus total in excess of $1.75 million. Unfortunately, the program funding has not kept pace with the rising cost of education for these students, and for students nationwide.

At NLU during the 1985–86 year, a full State grant and Pell eligible student received an annual refund of approximately $660 in Pell Grant funds to assist him or her with educational expenses beyond tuition and fees.

During the 1990–91 academic year, that same full State grant and Pell eligible student must borrow at least $245 just to meet his or her tuition expenses. National-Louis University has made every effort to maintain its affordable tuition, knowing that we cannot be part of the problem of skyrocketing tuition increases imposed by other institutions. Therefore, in addition to striving to keep tuition increases at an absolute minimum, NLU has also increased its institutional grant and scholarship commitment from $1.18 million in 1985–86 to over $3.4 million during this current academic year.

We share everyones' concern about loan defaults, and have made every effort to keep our students, particularly our at risk students, from having to borrow excessively through the educational loan programs.

Current demographics reflect a sharp increase in the projected number of Afro-American, Hispanic and other minority populations who will be entering postsecondary institutions in the 1990s. NLU is well positioned to receive the students of the 1990s, which will include not only these students, but adults returning to college, as well as a large immigrant population.

We would request that the subcommittee consider increased funding and appropriations for the Pell Grant, campus based, and guaranteed student loan programs to meet the expanded needs of not only the low income and academically underprepared students, but of all those students striving to attain their educational goals. Without such increased support, the quality education National-Louis University has worked for 105 years to provide may not be available for the 16,000 men and women we are currently serving.

We believe we have made a difference in the lives of thousands of students. We need your support to continue to prepare for work force 2000 by educating our greatest asset, America's human resources.

[The prepared statement of Kendra E. Dane follows:]

TESTIMONY FOR THE SUBCOMMITTEE ON POSTSECONDARY EDUCATION HEARING ON THE REAUTHORIZATION OF THE HIGHER EDUCATION ACT

May 24, 1991
Chicago State University
Chicago, Illinois

Presented by Kendra E. Dane
Director of Financial Aid

National-Louis University
2840 Sheridan Road
Evanston, Illinois 60201

NATIONAL-LOUIS UNIVERSITY
TESTIMONY FOR THE SUBCOMMITTEE ON POSTSECONDARY EDUCATION
May 24, 1991
Chicago State University
Hearing on the Reauthorization of the Higher Education Act

National-Louis University is a private, co-educational, medium-sized institution of higher education based in Evanston, Illinois. The University operates additional campuses in Chicago, at 18 South Michigan Avenue, and west suburban Lombard. In addition, adult-oriented academic centers of the University are in Milwaukee/Beloit, Wisconsin; St. Louis, Missouri; Atlanta, Georgia; Tampa, Florida; McLean, Virginia; and Heidelberg, Germany. NLU annually serves approximately 16,000 individuals in graduate and undergraduate programs at these locations.

National-Louis University grows out of the 105 year history of National College of Education -- an institution with a strong record of education and training professionals who are well prepared and of providing valuable service for our nation's schools and communities. The move to university status in June, 1990, reflects the institution's increasing comprehensiveness, growth and expanding significance in Chicago and in the other cities it serves.

Today, National-Louis University is uncommon among colleges and universities in.its commitment to distinctive programming and delivery systems and is particularly successful in serving four vital areas:

--our national's schools and the education profession continues to be served by the National College of Education by providing advanced education and training opportunities to teachers and administrators; by preparing those who want to enter the field of education (with special emphasis on minority individuals); by demonstrating exemplary teaching at the elementary and early childhood levels; and by expanding the knowledge base of theory, research, and practice.

--working adults in mid-career who want to strengthen their skills and educational backgrounds, by providing academic programs at the undergraduate and graduate levels which are successful at meeting the educational, geographical and logistical needs of this special group;

--urban populations, including limited English-speaking students and other educationally at-risk populations, by providing curricula, support systems and programs, and specially trained and caring faculty and staff which prepare graduates for business and other professions;

--numerous service professions which upon our nation increasingly depends, by training effective counselors, professionals and technologists in the fields of human services, allied health and education.

National-Louis University is highly successful in serving students who are traditional to higher education. In addition, the University is unparalleled in serving a broad range of others who typically find it difficult to continue their education, specifically: adults who are currently employed; immigrants and other language minorities with limited English skills; individuals who are academically underprepared; and adults contemplating career changes or pursuing new professions.

The federal financial aid programs authorized by Title IV of the Higher Education Act of 1965 are a critical component for providing the opportunity for higher education to all people of the United States regardless of their family's financial situation. Support of higher education has traditionally been a shared responsibility among federal and state governments, educational institutions and students and their families. The federal government has provided the cornerstone of this support and its continued role in assuring equal educational opportunity and choice cannot be over-emphasized. While the primary responsibility for financing higher education rests with students and their families, increased federal funds should be allocated to programs that assist families in their efforts to pay, with resources devoted to helping the neediest families and students first. We believe that the Higher Education Act of 1965 provided a fundamentally sound set of policies that for the past 26 years has enabled millions of Americans to realize their educational dreams. We appreciate the opportunity to provide comments to the Subcommittee on Postsecondary Education during the reauthorization process. The following comments and recommendations are offered for your consideration.

GENERAL COMMENTS

All of the current Title IV financial aid programs have assisted in providing the foundation for students to attain the necessary resources for financing their education. All of the programs should continue to be provided to present a variety of financing options for students and families whose backgrounds represent broad ranges of economic circumstances. We at National-Louis University would strongly support increased funding in all federal financial aid programs. We are concerned, however, that many of our students are borrowing excessively for their education. The necessity for increased borrowing has been caused by the inadequacy of funding for the grant programs. We would strongly encourage a restructuring of the funding process to alleviate the current imbalance between the grant and loan programs.

The recent trend toward using the financial aid delivery system as a vehicle for enforcing social policy goals by requiring statements or certifications from students for activities such as selective service registration and drug usage has only served to complicate the financial aid process, which ultimately delays students' receipt of financial aid funds. Additionally, the most recent requirements regarding documentation of students' high school graduation enacted through the Omnibus Budget Reconciliation Act of 1990, while targeted at students admitted to institutions on the basis of their ability to benefit from the education or training offered, have served to deny access to higher education for a significant number of students. Many students are not able to secure the documents in a timely fashion, or are unable to secure the documents from their country of origin, therefore they are having to delay or ultimately forfeit their entry into the educational programs designed to assist them. We would request a thorough review by this subcommittee on this regulation.

The financial aid process is oftentimes viewed by students and families as too complex and confusing. The financial aid process and forms, while simplified during the past ten years, need to be simplified further to encourage the completion of those students and families most in need of financial support. Financial aid administrators have increasingly become burdened with an over-proliferation of rules and regulations governing the programs. Frequent legislative changes to the programs with insufficient lead time affect the implementation and delivery of student aid funds to the population they are designed to serve; the students.

The administrative cost allowance provisions for the Pell Grant and Campus-Based Programs have not been increased, while administrative requirements for participation in these programs have increased significantly. Institutions should be provided with federal resources to adequately administer these programs.

Many individual situations arise in the administration of financial assistance programs which require individual review and consultation with students and their families. Professional judgment for financial aid administrators needs to be retained and expanded to accommodate the few circumstances necessitating such a review.

DEFAULT INITIATIVE COMMENTS

As grant funding has not kept pace with the rising costs of college attendance nationwide, students have been forced to rely more heavily on educational loans. High-need students from poor economic backgrounds as well as students with English language deficiencies are a segment of the population National-Louis has designed educational programs for, yet unfortunately, these populations are at high risk for defaulting on educational loans. Increased grant assistance for the exceptionally needy to reduce reliance on educational loans would be an effective deterrent to student defaults, and should be included as a default reduction initiative.

Default rates for institutions are not an appropriate measure of the quality of instruction offered by the institution. Serving high risk, underprepared student populations for whom adequate grant funding is not available will result in a proportionally higher educational loan default rate for an institution. It is these institutions which should be applauded for their efforts to reach out to these students; instead many high quality colleges and universities have been adversely affected by current federal default rate initiatives. Performance standards such as licensing, certification and accreditation procedures should be used to determine institutional eligibility to participate in federal financial aid programs.

In addition to the stringent regulations for institutions regarding loan counseling efforts, lenders, guarantors and secondary markets should be required to implement loan counseling measures. These agencies should also be required to provide individualized counseling regarding repayment rights and responsibilities, as well as to improve the frequency of their contact with borrowers. As an institution with a current loan portfolio in excess of $6,000,000, we are witnessing an increase in the number of loans being sold to the secondary market. Lenders should be mandated to notify students immediately of the sale of their loan to a secondary market. Additionally, secondary market organizations must assume responsibility for immediate contact with the student and parent borrowers. Such improved contact would serve to decrease the current confusion among borrowers regarding the sale of their loan, thus increasing the likelihood of more timely repayment of their loans.

NEED ANALYSIS COMMENTS

The current independent student definition is very confusing and difficult for administrators to implement. All graduate, divorced, separated or married students should automatically be classified as independent. Financial aid administrators should continue to be allowed to exercise professional judgment to classify as independent those students not meeting the criteria, but who are genuinely self-supporting.

The student contribution should be derived by using a reasonable expectation of available resources. The conversion rate of 70% for students earnings plus a 35% rate for assets is an unrealistic expectation for dependent students. Additionally, this system has created a strong disincentive for students to work part-time while attending high school or college, thus undermining the basic premise of the financial aid programs that it is a student and student's family's responsibility to assist in the financing of their educational goals.

PELL GRANT PROGRAM COMMENTS

Pell Grant Program funding has not kept pace with the rising cost of an education. Needy students are not being assisted as adequately today as in the past, therefore, funding must be appropriated to this program so that maximum annual awards can be increased significantly now and annually in proportion to the annual cost of living and tuition increases. At National-Louis University during the 1985-86 academic year, a full Pell-eligible student received an annual refund of approximately $660 in Pell Grant funds to assist him/her with educational expenses such as books, transportation and living expenses. During the 1990-91 academic year now drawing to a close, that same full Pell-eligible student must borrow at least $245 just to meet his/her tuition expenses. In lieu of forcing these most needy students into educational loan programs, National-Louis University has increased its institutional grant and scholarship commitment to undergraduate students from $1.18 million in 1985-86 to over $3.4 million in 1990-91. Additional, very legitimate expenses for books, transportation and living must also be borrowed by the population most at risk to take educational loans. Those students who most rely on financial aid to help meet educational expenses have lost an enormous amount of their purchasing power since the last reauthorization of the Higher Education Act. It is not adequate to simply increase the authorization levels of the grant program, but rather, appropriations for student aid must be given a higher priority.

CAMPUS-BASED PROGRAMS COMMENTS

SUPPLEMENTAL EDUCATIONAL OPPORTUNITY GRANT, COLLEGE WORK-STUDY, PERKINS LOANS

Current demographics reflect an increase in the projected number of Afro-American, Hispanic and other minority populations who will be entering post-secondary institutions in the nineties. We would request that the subcommittee consider increased funding authority and appropriations of the campus-based programs to meet the expanded needs of low income and underprepared students. These programs can most effectively be handled with minimal regulation. Each of the programs should be continued and deregulated to allow institutions discretion in the appropriate use of funds. The current over-award allowance is too small for the Campus-Based programs and needs to be reviewed. Overaward tolerances need to be increased with the institutional financial aid administrator given the authority to practice professional judgment to best meet the needs of the student population.

To provide for more effective use of limited funding, we would request that the regulatory requirement that an SEOG recipient must also be Pell eligible, be rescinded. The determination of eligibility for SEOG funds should be performed by the financial aid administrators so that the neediest students are, in fact, the recipients of the funds.

As the federal minimum wage increases, College Work-Study

Program allocations should be increased accordingly to assure level and continued participation in this program. Greater flexibility in the transfer of funds between SEOG and College Work-Study beyond the current ten percent maximum would ensure greater usage of funding in this two programs.

GUARANTEED STUDENT LOAN PROGRAM COMMENTS

As stated earlier, grant funding has not kept pace with the rising cost of education and students have been forced to rely more heavily on educational loans. To assist the students who are ineligible for grant assistance, or eligible only for partial grant assistance, the current Stafford Loan, PLUS and Supplemental Loans for Students annual and aggregate loan limits should be increased. The continued emphasis on loan counseling by educational institutions, lenders, guarantors and secondary markets must be stressed to avoid increasing the national student default rate. Financial Aid administrators should be given the authority to reduce or deny loans to students based upon objective, uniformly applied institutional criteria.

The costs for administering the guaranteed student loan programs have become enormous for educational institutions. An administrative cost allowance should be provided to institutions to assist in the expense of participation in these programs.

CONCLUSION

We appreciate the opportunity to testify before the Subcommittee on Postsecondary Education at the hearing on the reauthorization of the Higher Education Act of 1965. We further appreciate Congressman Hayes' support of the financial aid programs and of National-Louis University. If you have questions or require more information, we would be pleased to respond.

Mr. **Hayes**. Thank you.
Ms. **Dane**. Thank you.
Mr. **Hayes**. Mr. Thomas?

STATEMENT OF NATHANIEL THOMAS, VICE CHANCELLOR, OFFICE OF STUDENT DEVELOPMENT AND ENROLLMENT SERVICES, CITY COLLEGES OF CHICAGO, CHICAGO, ILLINOIS

Mr. **Thomas**. Thank you, Congressman.

Before I start my remarks, I would like to say to Mr. Payne that it was my pleasure to serve on the National Science Foundation Task Force of Engineering Science Technology for women, minorities and the handicapped, in producing their report. And currently, I am serving on the American Association for the Advancement of Science Committee for the Handicapped.

In addition, in New Jersey, helping Mel Thompson to start the engineering program at what was once the New Jersey Institute of Technology. So, even though my remarks are not geared toward engineering and science, I have a very vital interest in that area, and have for the past 20 some odd years. And I agree with everything you say.

I want to thank you for allowing me this time, however, to respond to this issue on behalf of my superior, Dr. Nelvia Brady, the Chancellor of the City Colleges of Chicago. I am Vice Chancellor at the City Colleges of Chicago.

While the City Colleges of Chicago represents over 100,000 students in a highly multi-ethnic system, it also represents the only chance for many of them to complete college. Because of ethnic, economic, social and educational reasons, the 2 year college represents the only affordable opportunity to overcome inadequate education and societal neglect for many of our students.

We need to reauthorize and improve the Higher Education Act of 1965, if the year 2000 holds any hope of obliterating the last vestiges of slavery, and the ensuant paternalism inflicted upon minorities by those who better understand dollars than the misery brought upon minorities by the abusive distribution of those dollars.

I am amazed that all of the great minds in research cannot figure out why more minorities graduate from high school, but the number in college holds constant. The answer is retention, people. And if our priority becomes retention and jobs, then the need to spend an inordinate amount of time collecting on defaulting loans can be negated. For some strange reason, educated people who get jobs tend to pay off their bills. Stop worrying about punishing the victims of this vicious cycle.

If this bill is not reauthorized, it will only make the situation worse, since college will cease to be an option for those who cannot get loans, Pell Grants, or admissions from open enrollment colleges, such as the City Colleges of Chicago. The use of tests, some standardized, has become common practice among colleges as a part of the needs analysis. The poor students always score at the bottom as a group, and many times the colleges refuse them loans and other aid on the basis that the tests show them to be high risk, therefore, less worthy of a college education, and least likely to succeed in college.

Even the new ability to benefit rulings for students without a high school diploma or GED require testing in order to qualify for Federal money. This illogical yet pervasive process has a logical extension, which will ultimately include those with high school diplomas, since among many populations, their reading and computing skills are no better than their non-diploma counterparts.

My 23 years of higher education experience tells me that standardized tests indicate two things. Which students are poor, and which students test best. I will trust my experience over any theory or degree I have acquired over that period of time.

The public universities, like privates, are beginning to price poor people and minorities out of the college market. They react to increasing and impacted enrollments by using test scores to freeze out the poor, since that group, among all ethnicities, does worse on ACT and SAT scores or tests. Those that have higher scores, the higher scores and resources to attend private schools, find public colleges and universities to be a bargain, and therefore, pay a bargain basement price for quality education.

This also eliminates seats for poor students who have neither impressive test scores nor resources. This is exacerbated by the attempt in recent years by public institutions to begin to opt for prestige and elitism, as opposed to meeting the needs of the most needy of the citizenry, for whom many of the public institutions were created.

I pose this rhetorical question to the committee. What kind of legislation can you present and pass which will allow a welfare mother to save for college? My rhetorical response is that the Federal Government should insure that any minor or indigent person who aspires to a postsecondary education and cannot afford it, should receive it, free of charge, at a public institution, no matter if it is a 2 or 4 year college, or a legitimate trade or skills postsecondary program. Society would benefit from this, as would each of us.

My final suggestion would be not to just expand the Pell to more middle income families. An additional step must be taken to prevent abuse by the institutions. We should increase the amount of individual maximum amounts of the Pell, and simultaneously cap the percentage amount that institutions can increase their tuition, and/or room and board, in conjunction with a raise in the maximum Pell Grant allowed. Quite often, gentlemen, the Pell Grant goes up by $200, and the university raises its cost by $200, and you have a standstill. Nothing happens.

This insidious practice on the part of institutions, in the name of inflation, has continued to negate any attempts by the Federal Government to provide more options to the needy. All data shows that the costs of a college education from 1975 to 1990, as Dr. Cross indicated, have exceeded the rate of inflation in the country by an astronomical percentage. The middle class family and the poor are both being exploited.

Already people in secondary education are threatening a cleaned up version of the same process by using the voucher system. Private and parochial schools are subsidized by public funds through a voucher and increased fees while, even with a voucher, the only affordable schools for poor students are the worst public schools in the worst communities. The net effect of this becomes business as usual.

And, so, in conclusion, City Colleges of Chicago not only support the Reauthorization of the Higher Education Act of 1965, we applaud it, and suggest that it be strengthened.

Thank you.

[The prepared statement of Nathaniel Thomas follows:]

Reauthorization of the Higher Education Act of 1965

Nathaniel Thomas, Vice Chancellor
City Colleges of Chicago

I want to thank the Committee for allowing me the time to respond to this critical issue on behalf of my superior, Dr. Nelvia Brady, the Chancellor of the City Colleges of Chicago.

While the CCC represents over 100,000 students in a highly multi-ethnic system, it also represents the only chance for many of them to complete college. Because of ethnic, economic, social and educational reasons, the two-year college represents the only affordable opportunity to overcome inadequate education and societal neglect.

We need to reauthorize and improve the HEA of 1965, if the year 2,000 holds any hope of obliterating the last vestiges of slavery, and the ensuant paternalism inflicted upon minorities by those who better understand dollars than the misery brought upon minorities by the abusive distribution of those dollars.

I am amazed that all of the great minds in research cannot figure out why more minorities graduate from high school but the number in college holds constant. The answer is retention people. And if our priority becomes retention and jobs, then the need to spend an inordinate amount of time collecting on defaulted loans. For some strange reason, educated people who get jobs tend to pay off their bills. Stop worrying about punishing the victims of this vicious cycle.

If this bill is not reauthorized, it will only make the situation worse, since college will cease to be an option or those who can't get loans, PELL grants, or admissions from open enrollment colleges such as CCC.

Usage of Testing

The use of tests, some standardized, has become common practice among colleges as a part of the needs analysis. The poorer students always score at the bottom as a group, and many times, the colleges refuse them loans or other aid on the basis that the tests show them to be "high risk", therefore less worthy of a college education and least likely to succeed in college.

Even the new Ability-to-Benefit rulings for students without a high school diploma or G.E.D., require testing. This illogical, yet pervasive process has a logical extension which will ultimately include those with high school diplomas since, among many populations, their reading and computing skills are no more impressive than their "non-diploma" counterparts.

My 23 years of higher education experience tells me that standardized tests indicate two things: Which students are poorer, and which students test best. I will trust my experience over any theory or degree I have acquired over that period of time.

Savings for College

The public universities, like privates, are beginning to price poor people and minorities out of the college market. They react to increasing and impacted enrollment by using test scores to freeze out the poor since that group among all ethnicities does worse on ACT and SAT tests. Those who have the higher scores and resources to attend private schools find public colleges and universities to be a bargain, and therefore pay a "bargain-basement" price for a quality education.

This is exacerbated by the attempt in recent years by public institutions to begin to opt for prestige and elitism as opposed to meeting the needs of the most needy of the citizenry -- for which many of them were created. I pose this rhetorical question to the committee... What kind of legislation can you present which will allow a welfare mother to save for college?

My rhetorical response is that the Federal government should insure that *any* minor or indigent person who aspires to a post-secondary education should receive it, free of charge, at a public institution -- no matter if its a 2 or 4-year college or a legitimate trade or skills post-secondary program. Society would benefit.

My final suggestion would be not to *just* expand the PELL to more middle income families. An additional step must be taken to prevent abuse of the institutions.

We should increase the amount of individual maximum amounts of the PELL, and simultaneously cap the percentage amount that institutions can increase their tuition and/or room and board.

This insidious practice on the part of institutions, in the name of inflation, has continued to negate any attempts by the Federal government to private more options to the needy. All data shows that the costs of a college education from 1975-1990 have exceeded the rate of inflation in the country by an astronomical percentage. The middle-class family and the poor are both being exploited.

Already people in secondary education are threatening a clean-up version of the same process by using the voucher system. Private and parochial schools are subsidized by public funds through a voucher and increased fees while, even with a voucher, the only affordable schools for poor students are the worst publics in the worst communities. The net effect of this becomes "business as usual".

And so, in conclusion, we not only support the reauthorization of the HEA of 1965, we applaud it and suggest it be strengthened. Thank you.

Mr. HAYES. Thank you. Ms. Fitzpatrick?

STATEMENT OF CLARA S. FITZPATRICK, ASSOCIATE DIRECTOR, ACADEMIC SUPPORT SERVICES, THE COLLEGE BOARD, EVANSTON, ILLINOIS

Ms. FITZPATRICK. Good morning, gentlemen, particularly my own Congressman Hayes.

I am Clara Fitzpatrick, an alumni of Wendell Phillips High School, the mother ship in Chicago, an educator for 30 years, having taught in the public schools, been a counselor in the community college system, worked as associate director for The College Board Midwest Regional Office in Evanston, served as vice chair of the governing board for three State universities, and a lifetime advocate for educationally and financially underprepared students.

Thank you for the opportunity to provide testimony on behalf of the 1st Congressional District Educational Task Force. I will limit my testimony to Title IV, subpart four, "Special Programs For Students From Disadvantaged Backgrounds," and would be pleased to comment on the financial aid process if the committee wishes.

We believe that these programs should be judged, and therefore, changed, based on three fronts—preparation for higher education, progress through higher education, and graduation from higher education with a degree. The Higher Education Act of 1965, and changes made in subsequent years, recognized two of these fronts by establishing the Upward Bound and Special Services, now Student Support, Program.

But it failed to recognize or assure one of the most important factors, that of graduation. For these programs to succeed, there must be a synergistic relationship that allows students to achieve their ultimate goal, a degree. The Act makes several requirements which we believe mitigate against a student's achievement of this ultimate goal.

Starting with underprepared students in Upward Bound after the eighth grade is too late. Upward Bound programs should be allowed to select students as early as 10 or 11 years old, as early as fifth or sixth grade, because much of the research is now showing, particularly for black males, students begin to mentally drop out of school at this age.

Secondly, either by Department of Education rules and regulations, or by Department of Education preference, Upward Bound is expected to include a summer residential component, which I suppose was conceived in order to give students a taste of college life. In fact, some of the college residence halls remain open in large part because of Upward Bound students and college life during these 6 weeks in the summer, where the Upward Bound students sleep, eat and play, and sometimes study together, is not the college life they will face once they are on the real campus with other real students during the real semesters.

Thirdly, Upward Bound does not presently belong to anyone. The college campuses on which they are housed are discouraged from taking the students in the Upward Bound programs. The Upward Bound becomes a stand-alone program, with its directors, counselors, teachers, who have no direct interaction with the host institution, except to provide overhead.

Rather, we believe Upward Bound should belong to the college in which it is located. The college should be allowed, indeed, requested, indeed, required, to, by any means necessary, educate, graduate these students from Upward Bound, enter them into their own colleges, and graduate them with a degree. Colleges then would be forced to take an increased interest in the program, and would be held accountable for Upward Bound students achieving that ultimate goal of a degree.

Progress through and retention in higher education under those student support services, while the Act delineates the project services, no mention is made of the institution's responsibility to retain these students. I am old enough to remember rules and regulations that specifically outlined the purpose of student support services to be a program to retain students for at least 2 years.

Whether or not tutoring, counseling and exposure to cultural events, which are required activities in the current Act, whether they work is debatable. But a statement in the Act that definitively outlines the intent of Congress would be a welcome directive from you, and it would serve as an incentive to colleges who honestly want to support these students, and equally important, a dis-incentive for colleges whose motives for taking these students are less than pure.

For graduation, we believe that the Student Right to Know Act will have a startling revelation, if you can get colleges to agree on a common way of reporting. But, as for the status of black students, not only is there a steady decline in enrollment in colleges and universities, but a tragic lack of graduation. We had institutions in the State of Illinois that graduate less than 10 percent of an entering cohort of black students after 7 years. So, if 100 students enter, only 10 of them graduate after 7 years. And some of those students started in Upward Bound and participated in student support services.

Mr. Chairman, and members, something is wrong. The 1st Congressional District Education Task Force asks that if you alter nothing in the Reauthorization Act, please add the teeth of legislation that holds institutions accountable for student success, that you hold the Department of Education accountable for monitoring these programs and for making funding decisions based on the progress of students, and not on the mindless farce of proposal reading that currently exists. The pipeline is clogged. Reauthorization can be the Draino we need to help students get through to that ultimate goal.

We hope that you and your colleagues will put the teeth of legislation in the Reauthorization Act. Thank you again for the opportunity.

[The prepared statement of Clara S. Fitzpatrick follows:]

Statement of the
First Congressional District Educational Task Force
Subcommittee on Post-secondary Education

Presented by Clara S. Fitzpatrick

May 24, 1991

Mr. Chairman and members of the Subcommittee on Post-secondary Education, particularly, my own Congressman Charles Hayes.

I am Clara Fitzpatrick, an educator for 30 years, having taught in the public schools, been a counselor in the community college system, worked as Associate Director for the College Board's Midwestern Regional office in Evanston, served as vice-chair of the governing board for three state universities, and a life-time advocate for educationally and financially underprepared students. Thank you for the opportunity to provide testimony on behalf of the First Congressional District Educational Task Force. I will limit my testimony to Title IV, Subpart 4-Special Programs for Students from Disadvantaged Backgrounds, specifically, Upward Bound and Student Support Services.

We believe that these programs should be judged and therefore changed based on three fronts: Preparation for higher education, progress through and retention in higher education, and graduation from higher education with a baccalaureate degree. The Higher Education Act of 1965 recognized two of these fronts by establishing the aforementioned programs, but failed to recognize or assure one of the most important factors--that of graduation. For these programs to succeed, there must be a synergistic relationship that allows students to achieve their ultimate goal--a degree. The Act makes several requirements which we believe mitigate against a student's achievement of this ultimate goal.

Preparation and Upward Bound

Starting with underprepared students after the 8th grade is too late. Upward Bound programs should be allowed to select students as early as ten or eleven years of age and fifth or six grades. As much of the recent research is showing, particularly for Black males, it is as early as middle school that these students begin to mentally drop out of school.

Secondly, either by Department of Education rules and regulations or by Department preference, Upward Bound is expected to include a summer residential component, which I suppose was conceived in order to give students a taste of college life. In fact, some of the college residence halls remain open in large part because of Upward Bound students and college life during the six weeks in the summer, where all of the Upward Bound students sleep, eat, play, and sometimes study together is not the college life they will face once they are on the real campus, with other real students, during the real semesters.

Thirdly, Upward Bound does not presently belong to anyone. The college campuses on which they are housed are discouraged from taking the students, the colleges into which they are placed have no direct link or responsibility to the Upward Bound Program, and Upward Bound becomes a stand-alone program with its director, counselors, and teachers who have no direct interaction with the host institution except to provide overhead. Rather, we believe Upward Bound should belong to the college in which it is located. The college should be allowed to prepare students by the best means necessary so that they enter and graduate from that college if the students wish. Sure, this is a fertile recruiting ground. Colleges will be forced to take an increased interest in the program and will be held accountable for Upward Bound students achieving their ultimate goal--a degree.

Progress Through and Retention in Higher Education

Student Support Services

While the Act delineates Student Support Services project services, no mention is made of the institution's responsibility to retain these students. I am old enough to remember rules and regulations that specifically outlined the purpose of Student Support Services to be a program to retain students for at least two years. Whether or not tutoring, counseling, and exposure to cultural events work is debatable, but a statement in the Act that definitively outlines the intent of Congress would be a welcomed directive and serve as an incentive to colleges who honestly want Student Support Services students to succeed and just as importantly will serve as a disincentive for colleges whose motives for taking these students are less than pure and colleges that do very little outside the confines of Student Support Services to help students achieve their ultimate goal--graduation.

Graduation

We believe that the Student Right to Know Act will have some startling revelations if you can get the colleges to agree on a common reporting format. As for the status of Black students, not only is there a steady decline in enrollment in colleges and universities, but a tragic lack of graduation. We have institutions in this state that graduate less than 10 % of an entering cohort of Black students after seven years, and some of those students started in Upward Bound and participated in Student Support Services.

Mr. Chairman and Committee Members--something is wrong. The First Congressional District Education Task Force asks that if you alter nothing in the Reauthorization Act, please add the teeth of legislation that hold institutions accountable for student success--that you hold the Department of Education accountable for monitoring these programs and for making funding decisions based on the progress of students toward their ultimate goal and not to the mindless proposal reading farce which now governs which institutions get what "programs" The pipeline is clogged. Reauthorization can be the Drano we need to help students get through to that ultimate goal. Thank you again for the opportunity. I would be pleased to answer any questions.

Mr. **Hayes**. To begin our questioning, I am going to call on our colleague, Congressman Kildee.

Mr. **Kildee**. Thank you, Mr. Chairman, I appreciate that very much. I taught in a inner-city school, a school that was a cross-section of Flint, Michigan. I had every race known to man and every economic level known to man. I used to work with the minorities to try to encourage them to get into college.

And, as time has gone on, I was kind of retailing that effort, but I really am worried right now that we are in the midst of creating a permanent underclass in this country. You see signs of that all over. And you see signs of that more rapidly, I think, in the last 10 years, with the growth of a permanent underclass, made up primarily of minorities who remain poor. A lot of women are part of that permanent underclass. That permanent underclass is immoral, because those individuals are not having their dignity protected by government. And I always feel that the government's role is to protect, defend an enhance the dignity. But, it is fiscally unsound, too. These people are not going to be contributors to the Treasury, right? They are going to be drawers upon the Treasury.

And it is also a very dangerous thing. My question, now, is what can be done through the Federal programs on higher education, not only to insure that students have access to postsecondary education, because that is one important way to really minimize that permanent underclass, but also to insure that they are retained. Several of you have mentioned retention. And that they complete their postsecondary in a reasonably good time. I think Dr. Cross mentioned some as many as 7 or 8 years.

What can we do in the higher education bill to insure that they have access, and that we do something for retention? What, specifically, can we do?

Ms. **Cross**. I would like to respond by giving you some of our experience at Chicago State University. We attempt to achieve this by three means. One is to maintain very strong pre-college programs. We currently have programs with 83 of the Chicago public schools, which reach out to about 28,000 students.

The second thing that we do is to look at efforts to improve the retention of students once they get here. And we have set up an office of academic support services, which monitors students at the 6, 9 and 12 week interval. And also provided dollars for faculty to develop incentive grants.

And I think there are two things that the Federal Government can look at. One is to look at, perhaps, putting some SSIG money, supplemental, you know, State supplemental incentive grants, toward the development of pre-college programs. We know that SSIG was very successful in helping to develop financial aid programs at the State level. Now, I think it is important that States also develop or have the incentive to develop strong pre-college programs. But it is my hope that as they develop these strong pre-college programs, they will utilize some of the expertise that has been developed in TRIO programs and in Upward Bound programs.

And, indeed, they set up a mechanism that the pre-college programs are coordinated with the TRIO and Upward Bound programs. And, as Ms. Fitzpatrick has mentioned, get universities to become more responsible, and a sense of ownership on, you know, these Upward Bounds and pre-college programs. So, that, if you looked at using SSIG to strengthen, as an incentive to States. To strengthen pre-college, that might be one direction. And the other thing is to give the institutions the dollars to help faculty develop incentive proposals.

At Chicago State University, we say that retention is an academic affairs issue. It is not something that should be solely relegated to student support services. But in order to get faculty to develop the proposals and strategies, in some cases, we would need more dollars, so that the incentive grant is as important.

And, the third, I think, faculty do need, institutions do need the support to maintain development programs, while at the same time maintaining quality programs. So, again, it is three pronged. Money for pre-college, money for faculty incentive grants, and then, also, you know, dollars to maintain the developmental programs, while, at the same time, maintaining quality undergraduate and graduate programs. But it can be done. We have seen great success here at Chicago State University, as a result of strong pre-college programs, safety nets, and maintaining quality programs.

Mr. KILDEE. And it is not just a slogan when we say that if we do put dollars in for retention, that that really is an investment, is it not? I mean, we spent some dollars on these students, and if we can retain them, those dollars that we spent on retention will really be coming back to the Treasury as these people become more productive.

Ms. CROSS. We know how to do it. You know, it is the will. The important thing is whether or not institutions and leadership have the will to do it.

Mr. COLLENS. I would certainly like to second that. And speaking particularly from a perspective, from our own institutional experience, the point that both Dr. Cross and Ms. Fitzpatrick made about focusing on institutions that are performing and holding institutions accountable, our institution ranks number eight in the United States in the number of minority engineers graduated each year. And we have been able to do that by focusing very hard on the kinds of program she is talking about, which is the pre-college programs, the linkages are working very hard during the summer.

So, I would suggest focusing a program that really provides some specific institutional awards based on performance would be a very important concept in the higher education end.

Mr. KILDEE. Some grants and some bonuses, maybe?

Mr. COLLENS. That is absolutely right. That you ought to introduce an entrepreneurial notion into the Higher Education Act, that the government is serious about performance. I think that is something that conceptually really has not been there.

And the other kind of program that Dr. Cross was involved in here at Chicago State, and we are involved in at IIT, that I think also needs some significant support, is a program here called the Academy for Math & Science Teachers, which is housed on our campus. It is a joint enterprise among just about all the universities and colleges in the Chicago area to work very closely with the teachers in the Chicago Public School System. And I would suggest that those kinds of cooperative efforts among universities aimed at supporting teachers in the public school systems in the elementary and secondary level are something that we really could use some additional support for.

Mr. Hayes. It might be easier if you just take it out and talk.

Mr. Thomas. I want to say something about the practitioner end of this. There are lots of good retention models across the country, particularly through engineering and science, that have been going on since 1973. But the Federal Government has seen fit, with the exception of some small parts of the DOE and NSF, to ignore those things that have been going on through statewide programs that were funded, not through the State Board of Education, but through special grants to colleges that want to do good retention efforts. And some of these are statewide programs.

You have them in Washington State. Those programs are in—well, you have the Baltimore Pipeline that is going on. That is a good example. Rochester, New York. I could go on and on with Mesa in Texas, and in California, and many States where they have these programs that have been ideal retention models.

However, I would like to address some of the things that occur on a day to day basis that may not necessarily take dollars, but it certainly takes influence. First of all, get rid of the adversarial relationship between students and faculty at the colleges, which has more detrimental effect on minority students than anybody.

If you will think about it, let us say, for instance, a young 21 year old white male graduated in 1954. Significant, because that was the year that the desegregation of Brown v. Board of Education was passed. And that person had never attended school with a black person, or an Afro-American, if you will, in his life. And, just gets under the wire, and does not have to, because he goes on to grad school, gets a degree in engineering or something, and starts teaching in college.

Now, you move the clock ahead 30, what are we, 37 years now. And that person is now 58 years old. He is still in the system as we sit here. Cannot stand those people, they do not belong in his school, and all of these crazy programs are doing nothing but taking money from everybody else that needs it. Those attitudes have to be changed at many of our colleges, and that is the number one cause of the students just giving up because they are discouraged by some faculty, while presidents, such as Dr. Cross, such as Lou Collens, my comrade, who have a very high level of desire to make successful programs, are being undermined by these people beneath.

So, if you are going to do something, there has to be some incentive to change their mindset, so that it is in their best interest to graduate students, rather than brag in the faculty club about how many they kick out.

And the other thing is to take for the retention, we are talking about the students who manage to get to college, as opposed to the underclass. When they are there, they need a lot of encouragement. I recall when I was at IIT, we had a dropout rate when I started that program in 1974, of approximately 47 percent among minority students in the first year. We dropped that in 1975 to 3 percent. And, the only thing I did was took the recitations from the faculty and gave it to the students. Did not cost a penny.

Mr. Hayes. Ms. Fitzpatrick?

Ms. **Fitzpatrick**. I think there are two things in the reauthorization that could be done. One is, make Pell an entitlement, so that this underclass that you referred to, Congressman Kildee, will believe that it is possible. Make Pell for poor students.

And the second thing, and all of my colleagues have talked about that, make the institutions responsible for these programs. Right now, the students who fail are just students who fail. The institution goes right along getting the funding, nonetheless. And these institutions ought to be held accountable.

Mr. **Hayes**. Congressman Payne?

Mr. **Payne**. Thank you very much. I really appreciated the testimony from all of you, and I would just like to comment on Dr. Cross' initiative and interest in the question of foreign affairs and developing an institute for foreign affairs minority students. I think it is an excellent idea. And there has been some funding for this kind of a program already in Congress. I happen to serve on the Foreign Affairs Committee, and I am on the African Task Force, and we have been dealing with this question. A number of things are going on, like democratization, in about 10 or 15 African countries. For the first time, they are going through democracy, political parties, preparing for elections where, in many of these countries, this had not happened before.

So there will be, really, a need for democratization training and assistance, even that component of the development of the future. So, I think that you are right on target, and we would certainly be willing to meet with you and the Secretary of State in charge of this activity. Look forward to hearing from you on that.

It is very important, to make the colleges accountable. There was an institution in Kentucky or Tennessee—I will not name it—but, 10 years in a row, just taking for example the basketball team, which was 100 percent black, not one basketball player graduated during that 10 year period. There must have been 12 fellows a year, at least, times 10, so you are talking about 120, 130 basketball players. And not one single one graduated.

So, that is one of the reasons why this business of truth in lending, so to speak, is necessary—colleges must now indicate their graduation rate. And I agree, they should be held accountable. Especially, as you mentioned with that Upward Bound program, where the kids are just there during the summer, and they are allowed to behave the way they might at home, without any real supervision, or without any kind of constructive activity. And I could not agree with you more, and I am glad you brought those points out.

What would you do, though, Ms. Fitzpatrick, to attempt to make the colleges accountable? What kind of sanctions—usually, we have to do something to them to make them do it. What would you suggest?

And, also, Mr. Thomas might want to comment on that, too. And I agree with you about the voucher system. It is just another way to resegregate. And the poor schools will stay poor, and the motivated students will find their way to the best schools, or their parents will get them there.

But, if you were to comment, what would you do to insure? Anyone on the panel.

Ms. **Fitzpatrick**. I do not mean to see that all Upward Bound programs are a failure. But, the first thing I would do is, in the legislation, make sure that the bureaucrats cannot get away with creating rules and regulations that they want. We should monitor these programs such that there is a carrot and a stick. If they do not succeed, take the money. And, the Federal Government, instead, has this crazy proposal reading process, and it becomes an English class. And they know nothing about the success of the program. So, that is the first thing I would do.

And, I guess, it is like Chapter One or Title One. If that is successful, somebody close to these programs ought to be able to monitor. So, the States or somebody, such that it gets done.

Mr. **Thomas**. I would like to make two suggestions. One is that, rather than restricting the students who are just funding for the programs based on the poverty level of just the student, that it be based on where the student is attending. For Afro-American students, it does not make a difference what your income is, particularly in Chicago. You are restricted to certain schools. So, you can be rich and still be deprived. So, you look at the income of the individual students in addition to the income of the school that that particular student is attending, when you are doing funding.

Secondarily, with these programs, I just think it is simple if you have a finite pot of money to go into these retention programs, those schools that retain get the money from those who do not. Those who do not go out of business. As long as they are performing, and you bring in X amount of students, and you are graduating some prescribed percentage of those students, then your funding will continue or be improved or be lessened based on performance, and I do not think anybody can argue with that.

Ms. **Cross**. I would like to comment on that with a caution, as relates to schools that are predominantly minority, predominantly, you know, low income. Many of these schools do have low retention rates, and students have to drop out through no fault of their own, and sometimes no fault of the school, largely for financial reasons. So, I think that the bill and the process has to be constructed in such a way that does not end up happening is that some schools will opt to become more selective, and avoid having high risk students.

And then those institutions, such as Chicago State University, who have a commitment to educating first generation, and so, low income, you know, while we are doing everything in terms of improving the retention, if there is not, you know, financial aid, and appropriate, you know, support, the students may have to drop out. So, I think that is something that has to proceed with a kind of caution, in that schools become very selective. And, those schools which are trying to make a difference do not lose support.

Mr. **Collens**. Along the same lines, it seems to me that you have a very difficult challenge. There is the issue that Dr. Cross is talking about. There is also a risk in what Nate Thomas is talking about, and others, in providing incentives for institutions. We need to be careful that we are not providing incentives for institutions to simply give people degrees that have no content value. So, that, while we have to provide awards for institutions that are performing, we are going to have to think of a way to make sure that the degree that is awarded is a real one. I think there are ways to do that. And, if you do that, then I would suggest that one important concept to put into the Act would be to provide some additional bonuses, as you suggested before, based on the number of degrees awarded.

There is also, now you have clearly one of the challenges is focusing on what the degrees are that are most important. It can cause a great deal of tension if you try and draft a bill that will do all of these things.

Ms. **Fitzpatrick**. With all due respect to President Collens, I would, if black students got degrees from Illinois Institute of Technology, or if black students got degrees from MIT, or if black students got degrees from Podunk University, I would be just as pleased. A baccalaureate is a baccalaureate. And, we believe that we need the incentive to graduate. And, I do not think you need to worry about institutions lowering their standards to graduate students. They never have.

Ms. **Cross**. But there is a way to do it in terms of minorities. If an approach was developed to look at the graduation rate of minorities in fields where they are underrepresented. You know, that might be, for example, if 40 percent of all of the African-Americans were in degree areas in math, or at Chicago State University, I think that would, in terms of a university making an effort to graduate students in areas where they are underrepresented, that might be a way that is responsive to some of the points that were mentioned here.

Mr. **Payne**. Yes, Mr. Thomas?

Mr. **Thomas**. I do not want anybody to let go of a statement I made earlier in my presentation that retention should be tied in with jobs. This whole idea of education for education's sake went out with high button shoes. And, invariably, at most universities and colleges, there is no synergistic relationship between the faculty and education and the job market. It is a total disassociation.

If those students are coming out getting jobs, I agree with Clara Fitzpatrick. I do not care if their degree is in tinkertoy analysis. If they are able to get jobs, and not stick me up on the street corners. I think that is the most important thing you have to deal with there.

But, there are financial issues involved. For sure, there are financial issues. But, it just bugs the hell out of me to continually watch colleges playing these little silly games, and getting away with spending money and that money not going where it belongs, and retention becomes increasing the faculty salaries, and calling retention, and that type of thing. So, I would be one—if there is any committee put together, boy, if anybody can find loopholes, I can. Close up those loopholes allowing people to abuse minority money, that would be my primary concern, and my Phillip St. Clare—since he stole my button.

[Laughter.]

Mr. **Kildee**. Mr. Chairman, if I could yield, I'm hopeful there will be a law enacted that is similar to the current law. This law offers the option of giving tax donations to presidential elections on your tax reforms. It is interesting to think, after what you said, Dr. Collens, that a successful graduate—and success would be judged by the fact that he or she is in the job market—could check off part of their income tax back to the college from where they got that Because they really are contributing to the Treasury because of that success in school.

I do not know if Mr. Rostenkowski would entertain it, but we use the Tax Code for the most worthy motives, and that would enable them—that is under the jurisdiction of this committee as one of my brainstorm ideas to really sign some of the money back to the school that enabled them to become taxpayers in the first place.

Mr. **Thomas**. I find that much more appealing than checking off a little check for a presidential election, for education's sake.

[Laughter.]

Mr. **Kildee**. We may have discovered an idea here today.

Mr. **Payne**. Let me just say, just in conclusion, that I think it was a very healthy discussion. Dr. Cross, the point you brought up is really something that we are finding with proprietary schools. We are finding that schools that are in inner cities, where they have a higher default rate, and perhaps, less success rate in attaining meaningful employment, and the question becomes, will the school become so selective to weed out those high risk students, and therefore, keep their record high by virtue of just taking the select students?

So, this is really one of the serious problems that we are going to have to be confronted with. Say, how do you weed out a proprietary school that is out there, and does not care, as opposed to a school where, like Mr. Thomas said, you do not have a job, you cannot pay back the loan. There are a lot of factors. So, that balance is very difficult.

And, also, the other point that I think Ms. Dane brought out, the question of lower income entitlements, and middle income is important. That is where the new battle is going to be. How much do the truly poor get, and where does the middle income person, who is having difficulty paying for a college education, get support? We need that. I will turn back to Mr. Chairman.

Mr. **Hayes**. Just one final comment.

Mr. **Collens**. I would like to follow up on that. There is an interesting idea there. What if you could figure out a way to craft a bill that had a loan portion, but the loan was only repayable out of earnings on some formula, which would mean the institution, and the money would come back to the institution, and the institution would have to be very focused on what it was doing, to make sure that the graduate was going out to get the job that Nate Thomas was talking about. Otherwise, the institution would not get any financial award. Now, how you would structure that? I do not know, but it is an intriguing idea.

Mr. **Payne**. Thank you very much. As we indicated, it is very complicated and it is not going to be easy. And, this is one of the 50 or 60 hearings we are going to have on this very important legislation. But your testimony, I find from all five of you, has been extremely helpful and informative.

Mr. **Hayes**. Thank you very much. I just want to say to you as panelists, you have presented us with a comprehensive and very enlightening testimony. I just wish that some of my colleagues who are part of the Education and Labor Committee, and the Subcommittee on Higher Education, in addition to the two we have here, could be present. Some of the testimony that you have given us here certainly would be useful for them to hear. Their attitudes in terms of funding, and helping to make higher education more accessible to the poor, would, I think, make them think somewhat differently.

I could have several questions, I could raise, but I am conscious of the time, and the ability to have three other panels to be heard from. And, their patience has been good, and I do not want to abuse it. But, if some questions that I feel I should have raised, I will send you, maybe, a little letter or a little note, and I would appreciate your response to them. Certain things should be made a part of the record.

I happen to feel very strongly as a congressman from a district that is made up of, oh, I would say 65 to 70 percent poor people. And, it is not that they do not want an education.. Many of them want an education. It is just that the feeder schools, the high schools, a lot of them drop out of school. The drop out ratio is roughly 50 percent of kids who enter school as freshman, but do not stay long enough to get a diploma.

This is not just a loss of that individual kid, this is a loss to society as I see it. But, it is difficult to get some of my colleagues to understand that. We happen to be moving through a period where that seems to be a decline in the middle class, with a rise in the poor class of people.

I may be a little bit off base when I say I think some of what is happening to the whole educational process, it is denial of an opportunity for the poor, or the underprivileged, is not because of lack of understanding of what we are doing, I think it is by design. They do not have any care or really any feeling for the need. There are many people in positions to do something about it. Education should be one of our top priorities in this society of ours. To me, it is, well, you do not have to agree with me, it is wrong to chase down the poor kid who defaults on the student loan, at a time when you forgive a debt of $7 million to Egypt. You know, it is hard for me to accept that.

[Applause.]

Mr. **Hayes**. Or to have to face the savings and loans who come before us in the Congress, I am told. We just gave them $30 billion as a bailout, for another $50 billion in September of this year. To me, we have our priorities wrong if we cannot fund education. Some kid who took out a loan should not have been given a loan in the first place, should have been given a grant. Seventy-five percent of the money for student aid, it was twisted around. It was supposed to be in the form of grant programs. But, it is just the opposite—25 percent grant, 75 percent student loans. We hope to be able to change this, and I think the testimony you give us sort of steers us in that direction. I want to thank all of you very much for your testimony.

[Applause.]

Mr. **Hayes**. Our next panel, Number II, Mr. Joseph Hill, Senior Training Consultant at AT&T, Dr. John Gibson with Illinois Medical Training Institute, the President, in Chicago, Janice Parker, President of Taylor Business Institute of Chicago.

Would you come forward, please?

And, I know you heard my comments, and because of time constraints—in fact, my colleague from Michigan has to leave us by 11:30 to make his appointment with his plane—if you would just confine yourself as near as possibly to the highlights of your written, prepared testimony.

Your entire text of your testimony will be made a part of this record.

We will begin with you, Mr. Hill.

STATEMENT OF JOSEPH HILL, SENIOR TRAINING CONSULTANT, AT&T, OLYMPIA FIELDS, ILLINOIS

Mr. HILL. Good morning, Congressman Hayes and your colleagues. My name is Joe Hill, and my testimony is from my past experience as a teacher and an administrator in the St. Louis and Chicago Public School System, and now as an educator and trainer for AT&T. My testimony is based on how corporate America views the educational process. Education at all levels of the maturity continuum, preschool through postsecondary, should be a well-defined, integrated learning platform that is formulated to take any given individual from a state of unformed, unbridled intelligence to a state of personal and professional acumen that is skill-based and career oriented. The American educational system should be just that, an American system, and not one that seeks to dilute the process into hundreds of mini-systems, possibly unequal, and not in tune with the fabric of Americana.

The primary objective of the American educational system should be a preparation of the masses to be global competitors in political, social and economic arenas. Individuals preparing to step up to this designation will exemplify strong personal skills in communication, both oral and written, as well as a multiplicity of other areas. A major expectation is to have individuals demonstrate a high level of expertise in at least one discipline. This capacity and capability on the part of individuals will provide an American workplace that is a collective casualty of the necessary skills and expertise to insure that the United States retains its leadership stature in the global marketplace.

Now that a working knowledge of the type of American educations system has been established, we have to step back and address some pertinent issues that tend to be adverse to the needed process. As previously mentioned, the American educational system has consisted of hundreds of mini-systems that have been developed to address the needs of the few, rather than the needs of the greater U.S. populace. Many of these mini-systems have been developed to serve racial positions, economic trends, facility availabilities, private interests, and any other element that is secondary to a sound educational process. The average public school administrator and teacher find themselves in the position of spending an inordinate amount of time making choices of whether to buy books and material versus making provisions for art classes and sports, and other basic skill courses.

The time allocated to the formulation of curricula far outweighs any program implementation time due to excessive administration, lack of funding, decreased morale and any combination thereof. Thus, in the urban areas, drop out rates have greatly escalated. Instead of building a well-qualified, skill-based work force, the American work force is beginning to show high percentages of workers who are finding it increasingly difficult even to meet the challenges of blue collar jobs. Moreover, a lack of writing, of basic competence in the basic skill areas, reading, writing and arithmetic, is more the rule than the exception. The scenario is further strained when one considers the work force 2000 data developed by the U.S. Department of Labor.

The work force 2000 data indicates that by the year 2000, and I must say that it has already occurred in popular America already, the U.S. labor pool will be primarily female and minority. This may prove to be especially challenging to American corporations like AT&T that have been traditionally overwhelmingly run and staffed by white males. In that females and minorities have not formally been infused into corporate upper level decision making bodies and into middle management, these corporations are finding it increasingly more difficult to fill the position voids made by white male attrition. Many of these corporations are addressing this pressing need through the development of cultural diversity programs that seek to help all their employees understand differences and to appreciate the differing cultures. The next step in the process is to then incorporate a much larger number of non-white males into the corporate mainstream, because we find that black males are a disappearing breed in corporate America.

Many corporations in America have not had the foresight to establish diversity programs, and thus, females and minorities are still in very small numbers in the corporate arena. Moreover, with the advent of 1992, and the European marketplace taking on a more unified and global posture, the American work force will be bombarded with hundreds of European workers of varying skills who will seek the shores of the U.S. in order to stay steps ahead of inflation, high unemployment, social unrest and other circumstances in their own countries.

The picture is more focused now. We have public education in a state of chaos, and in many of our urban areas, producing dropouts and/or graduates ill-prepared to meet the challenges of a career or even to circumvent circumstances associated with daily survival. Consequently, corporations like AT&T have a decreased labor pool, with only the most talented being considered for careers. For the masses receiving a less than satisfactory education, the picture is very bleak. Only blue collar and unskilled jobs are available to this group. And, this is a category being eliminated from corporate America. Chronic unemployment becomes a standard. Finally, criminal offenses and drugs become the chosen channel for those without hope to pursue. What is needed is an agenda that addresses the problem from a multi-level, broadbased approach.

With the advent of declining school age populations, urban blight and deteriorating schools, postsecondary education will become the privilege of a select few if we allow the current situation to run its course. These educational systems need to be completely overhauled and reconstructed along the lines of corporations and/or major businesses. For instance, the principals and administrators need to be schooled in sound business procedures, budget analysis, expense to revenue accountability, balance sheets and etc. Then, the administrator should be allowed with a committee or oversight group, to hire teacher managers to formulate, implement and evaluate specific curricula on an on-going basis to ensure that they are in tune with the needs of American industry, and that the specific programs will adequately address the education of individuals based on their learning curve or preparedness. Once the program has been developed and put into place, the administrators and teacher/managers will begin the process of steering the populace through the programs. The schools or institutions could be partially funded or totally funded by corporations whose stake in the process would be to develop future labor pools for themselves. Also, the corporations could further partner with the learning institutions by exposing personnel and students to their databases, business practices, manufacturing processes, technological innovations, financial systems, etc.

The last step in the process should be to expose and assist families in making career choices and then helping them to gain an understanding of how to seek grants, how to get scholarships, how to get school loans and many other supports they may need for their family members who qualify for colleges, trade schools, etc. The key ingredient is to establish synergy among all the entities that have a stake in the educational process, the students, school personnel, such as administrators and teachers, parents, corporations and social service agencies. Until this is done, all of the aforementioned groups will continue to vie for a constantly shrinking financial pie until there is nothing left except for the chosen few.

In the meantime, the journalists will just keep heralding the demise of school system after school system until we can take no more. Education on all levels is a process, and we all have a stake in it.

[The prepared statement of Joseph Hill follows:]

Testimony To The
Subcommittee on Postsecondary Education
by Joe Hill

Education at all levels of the maturity continuum (pre-school through postsecondary) should be a well-defined, integrated learning platform that is formulated to take "any" given individual from a state of unformed/unbridled intelligence to a state of personal and professional acumen that is skill-based and career-oriented. The American educational system should be just that - an American System - and not one that seeks to dilute the process into hundreds of mini-systems, possibly unequal and not in tune with the fabric of Americans. The primary objective of the American educational system should be a preparation of the masses to be global competitors in political, social, and economic arenas. Individuals prepared to step-up to this designation will exemplify strong personal skills in communication (oral and written), as well as a multiplicity of other areas. A major expectation is to have individuals demonstrate a high level of expertise in at least one(1) discipline. The capability on the part of individuals will provide an American workplace that is a collective cadre of the necessary skills and expertise to ensure that the United States retains its leadership stature in the global marketplace.

Now that a working knowledge of the type of American educational system has been established, we must step back and address some pertinent issues that tend to be adverse to the needed process. As previously mentioned, the American educational system has consisted of hundreds of mini-systems that have been developed to address the needs of the "few", rather than the needs of the greater U.S. populace. Many of these mini-systems have been developed to serve racial positions, economic trends, facility availabilities, private interests, and any other element that is secondary to a sound educational process. The average public school administrator and teacher finds themselves in the position of spending an inordinate amount of time making choices of whether to buy books and materials vs. making provisions for art classes and sports. The time allocated to the formulation of curricula far outweighs any implementation time due to excessive administration, lack of funding, decreased morale and any combination thereof. Thus, in the urban areas, drop-out rates have greatly escalated. Instead of building a well-qualified/skill-based work force, the American workforce is beginning to show high percentages of workers who are finding it increasingly difficult even to meet the challenges of "blue collar" jobs. Moreover, a lack of basic competence in the basic skill areas (reading, writing, arithmetic) is more the rule than the exception. The scenario is further strained when one considers the "Workforce 2000" data developed by the U.S. Department of Labor.

The "Workforce 2000" data indicates that by the year 2000 the U.S. Labor pool will be primary female and minority. This may prove to be especially challenging to American corporations that have traditionally been overwhelmingly run and staffed by white males. In that females and minorities have not formally been infused into corporate upper level decisionmaking bodies and into middle management, these corporations are finding it increasingly more difficult to fill the position voids made by white male attrition. Many of these corporations are addressing this pressing need through the development of "cultural diversity programs" that seek to help all their employees understand differences and to appreciate the differing cultures. The next step in the process is to then incorporate larger numbers of non-white males into the corporate mainstream. Many corporations in America have not had the foresight to establish diversity programs and thus, females and minorities are still in very small numbers in the corporate arena. Moreover, with the advent of "1992" and the European Marketplace taking on a more unified and global posture, the American Workforce will be bombarded with hundreds of European workers of varying skills who will seek the shores of the U.S. in order to stay steps ahead of inflation, high unemployment, social unrest and other circumstances in their own countries.

The picture is more focused now. We have public education in a state of chaos, producing drop-outs and/or graduates ill-prepared to meet the challenges of a career or even to circumvent circumstances associated with daily survival. Consequently, corporations have a decreased labor pool, with only the most talented being considered for careers. For the masses receiving a less than satisfactory education, the picture is very bleak! Only "Blue Collar" and unskilled jobs are available to this group. Chronic unemployment becomes a standard. Finally, criminal offenses and drugs become the chosen channel for those without hope to pursue. What is needed is an agenda that addresses the problem from a multi-level and broadbased approach.

With the advent of declining school age populations, urban blight and deteriorating schools, postsecondary education will become the privilege of a select few if we allow the current situation to run its course. These educational systems need to be completely overhauled and reconstructed along the lines of corporations and/or major businesses. The principal or administrator need to be schooled in sound business procedures (budget analysis, E/R accountability, balance sheets, etc.). Then the administrators should be allowed with a committee or oversight group to hire "teachers/managers" to formulate, implement and evaluate specific curricula on an on-going basis to ensure that they are in tune with the needs of American industry and that the specific programs will adequately address the education of individuals based on their learning curve or preparedness. Once the program has been developed and put into place, the administrators and teacher/managers will begin the process of steering the populace through the programs. The schools or institutions could be funded by corporations whose stake in the process would be to develop future labor pools for themselves. Also, the corporations could further partner with the learning institutions by exposing personnel and students to their databases, business practices, manufacturing processes, technological innovations, financial systems, etc.)

The last step in the process should be to expose and assist families in making career choices and then helping them to gain an understanding of how to seek grants, get scholarships, get school loans and any other supports they may need for their family members who qualify for college, trade schools, etc. The key ingredient is to establish **SYNERGY** among all the entities that have a stake in the educational process: students, school personnel (Administrators & teachers), parents, corporations and social service agencies. Until this is done, all of the aforementioned groups will continue to vie for a constantly shrinking "financial pie" until there's nothing left except for the chosen few. In the meantime, the journals will keep heralding the demise of school system after school system until we can take no more. Education on all levels is a process and we all have a stake in it!

Mr. Hayes. Thank you very much. Mr. Gibson?

STATEMENT OF DR. JOHN GIBSON, PRESIDENT, ILLINOIS MEDICAL TRAINING CENTER, CHICAGO, ILLINOIS

Dr. Gibson. Thank you. Rather than the usual process of just reading the statement, I have provided the committee with the testimony. That is a comment, and I am sure you will take into account, and I appreciate that. It is supported by selective documents, and more importantly, supported by more than 300 individual letters of the students that our school addressed to the various and sundry Congressional Members.

I am president of Illinois Medical Training Center. We are a large contributor of medical technology graduates to the health care agencies in Chicago. We are a vital resource to the community. Very briefly, and I am a little upset about some of the things that are happening, so I am going to talk about those instead.

We, briefly, enroll 1,500 students a year. We graduate 1,000 a year. All of our students are poor and minority—98 percent of them are Pell eligible. That says all that it needs to say. We graduate over 60 percent of our students. We place 96 percent of them in jobs. This month alone, we will place in new jobs, new graduates, 100 people, in jobs averaging $17,000 a year to start. These are people, 95 percent of whom have been historically on general assistance. That is something on the order of $70 million of new GNP each and every year.

We are one of those ugly proprietary schools. And, it is quite upsetting that there is a bias toward the proprietary schools, to a real extent, well deserved, admittedly. There are many crimes being committed under the, and behind the veil of traditional education as well. You must be assured of that.

Schools like our own are disappearing rapidly. There are only half as many medical tech schools serving the Chicago metro area as there were 2 years ago. The United States Department of Education is on an intense mission to eliminate them. And the 400,000 poor people that are served by them, I am shocked at the Bush Administration suggesting that the Pell increase should, that the Pell should be increased, as it well should be—and to pay for it, to remove 400,000 poor people from that privilege and access to a higher education.

In our schools, and in our particular school, our objective is employability. We are intense about it. And, we are accomplishing it in a remarkable way. We train medical assistants, cardiovascular technicians, respiratory therapists, etc. The Chicago area is on its hands and knees begging for our graduates. We have three jobs for every graduate. We cannot fill our job orders. And, the United States Department of Education is bent on disposing of our school.

Yes, we do have a high student default rate. Mr. Hayes, I believe you probably gave the most succinctly important testimony of the day before in your comments following the last panel. Mr. Kildee, you are absolutely right. The system is creating poverty. Worse, it is stepping on the neck of the impoverished, and keeping them there. Absolutely. And, a great part of that fault is with the system conceived by the Department of Education, to do so. And, Mr.

Payne, I am concerned that you appreciate that there are some excellent proprietary schools. That, in fact, they are delivering better than 50 percent of the employment training in this Nation today, better than 50 percent.

Without that national resource, I am not clear on how we could deal with the Work Force 2000 report that Mr. Hill just referred to. It is a critical report. A recent Senate panel that reported to you folks on the problems in the guaranteed student loan program—excellent report, absolutely. Three of the four recommendations took issue with the non-management Department of Education. The fourth referred to shoddy schools. And, they come at all levels, in all kinds, and at all sectors of higher education, believe me.

Let me tell you about our school as simply one example of what I refer to frequently as educational euthanasia going on. You know, I've heard this first panel, you folks all concerned about how we prove things. Let me point to the Department of Education's destruction, deliberate destruction going on right now, of what is violent employment training in the private school. It is not commonly known that the Department of Education has oversight in Title IV only in the private career school sector. They do not get this Title IV oversight, this possibility of authority, in traditional higher ed. Consequently, to make their mark, and to impress the folks, they will do so in a private school sector.

They have targeted 1,000 schools for elimination, and 400,000 poor people served by those schools. The means by which to do it, the criterion is, and the concept of an institutional cohort is categorically insane. An institutional cohort default rate has nothing to do, nor does it measure the merit of the school. It has something to say about the socio-economic circumstances of the student body and that alone, plus, I might add, the confusion and clumsiness in the administration of the GSL program under the Department of Education rules and regulation. The wavering, confusion, the frustration of lenders and guarantors, etcetera, is a mess.

That is completely ill conceived, and misused concept, number one. There are excellent schools with high default rates. And there are very poor, shoddy schools with very low default rates—default rates do not measure the merit of a school.

Number two, nevertheless and notwithstanding, the Department of Education has listed all of these schools with "high institutional covert default rates," and targeted them for elimination. The means by which they are doing that is nothing but a classic witch hunt. They are walking into schools with white gloves, looking for any speck of dust. They are trampling on rights of privacy. They not only place themselves up above the law, they are creating law as they go along. They are conceiving unimaginable penalties. The entire mission and purpose is to throttle and choke off the students from their Pell sources, and their GSL sources, and thus the school, and kill them. Simply kill them, by starving them to death.

In my school, gentlemen, and we are extremely proud of the record of our school since 1974, I might add, University of Illinois Medical School thinks highly of us. It is not that we are shoddy, shoddy project school. We are not. I lost my point there. We have been—we will be dismissed, and you will put us out of the GSL loan business come July 1. You will do that. You have done that.

The Department of Education is trying to see to it before July 1, because they do not want to conduct hearings that you have asked them and required they conduct. At present, among our 1000 active students, all full time, studying medical technology in the Loop campus right now, there are 18 percent paid to date. Eighty two percent are in arrears in their tuition, solely and simply because the Department of Education has withheld those students' Pell funds for 3 months, since the end of February, on some silly, jurisdictional, arguable question.

More recently, the Illinois Guarantor Agency has begun to question and hassle our students' loan applications. As a result, the Department of Education will successfully drive a school like ours out of business, and the 1000 students that we place every year will not be in the medical tech field, and in the health care industry.

These are my two points. I would like to focus on particularly one, the concept of institutional default rate has nothing to do with the merit of a school.

Number two, unless the Department of Education agents, running amok as they are, are reined in, they will complete the job of destroying the employment delivery service in the metro areas of this Nation. And, these schools with high default rates, are obviously where impoverished people are, in the metropolitan centers of the Nation. Thank you, gentlemen.

[The prepared statement of Dr. John Gibson follows:]

[Additional letters submitted by Dr. Gibson are being maintained in subcommittee files.]

TESTIMONY MAY 24, 1991 CHICAGO, ILL.
HOUSE COMMITTEE ON EDUCATION AND LABOR
SUBCOMMITTEE ON POSTSECONDARY EDUCATION
BY: J.R. GIBSON, ED.D: PRESIDENT, ILLINOIS MEDICAL TRAINING CENTER
162 N. STATE ST., CHICAGO, IL. 60601
312/782-2061 x 35

CONGRESSMAN HAYES, MEMBERS OF THE COMMITTEE, AND ALL THOSE CONCERNED PERSONS BOTH PRESENT AND ABSENT, WE APPRECIATE YOUR LONG STANDING LEADERSHIP IN SUPPORTING THE DISADVANTAGED AND THEIR EFFORTS TO EXTRACT THEMSELVES FROM THE ROLES OF PUBLIC DEPENDENCE, AND WE APPRECIATE THIS OPPORTUNITY TO EXPRESS SOME GRAVE CONCERNS ASSOCIATED WITH THE REAUTHORIZATION OF THE HEA. OUR CONCERNS FOCUS PARTICULARLY ON AND WITH THOSE OF THE IMPOVERISHED FORGOTTON BUT GROWING SEGMENT OF OUR SOCIETY WHO, IN THE FACE OF A DEMANDING PUBLIC NEED FOR THEIR ECONOMIC CONTRIBUTIONS, AS WELL AS THEIR DEEPENING DISADVANTAGEMENT, MAY BE EVEN MORE DEPRIVED OF OPPORTUNITY AND MORE CERTAINLY DENIED ACESS TO THEIR RIGHTS TO EDUCATIONAL ASSISTANCE, ECONOMIC FUTURES AND OPPORTUNITY, IF WE ARE TO JUDGE FROM RECENT ACTIONS OF THE USDE AND THE CONGRESS PREPARATORY TO THE REAUTHORIZATION OF THE HEA. SPECIFICALLY THE "KICKOUT" PROVISION ATTACHED TO THE BUDGET RECONCILATION ACT, BY ITSELF, SPEAKS LOUD AND LONG REGARDING DISCRIMINATING NATIONAL PRIORITIES AND INTENTIONS FOR HUNDREDS OF PRIVATE SCHOOLS AND THE THOUSANDS OF THEIR CLIENTS SEEKING EDUCATIONAL AND ECONOMIC BETTERMENT. THERE ARE MANY PUNITIVE AND DISCRIMINATORY RECENT NEW DEVICES THAT HAVE BEEN CREATED BY THE USDE. THIS IS ONE AIMED AT ELIMINATING UP TO 400,000 INNER CITY PEOPLE.

AMONG THE IMPOVERISHED MINORITY OF AMERICA AND ILLINOIS, MOST SEEK OPPORTUNITY TO BECOME SELF-SUFFICIENT. SOME ARE ABLE AND WILLING TO PREPARE THEMSELVES FOR A BETTER LIFE THROUGH EMPLOYMENT.

FOR OTHERS, THE DAILY DEMANDS AND FORCES CONTROLLING A LIFE OF POVERTY SIMPLY AND ABSOLUTELY PREVENT THEIR TAKING TIME TO GO TO SCHOOL. THE SYSTEM THAT PUTS THEM IN POVERTY TOO OFTEN PREVENTS THEIR ESCAPE.

FOR THOSE WHO ARE ABLE AND CAN FREE THE REQUIRED TIME FOR TRAINING, THE CHOICE IS VERY OFTEN A PRIVATE CAREER SCHOOL. THIS CHOICE IS SOUND AND SPECIFIC TO THEIR NEEDS AS THEY NECESSARILY SEEK MAXIMUM EMPLOYABILITY IN A MINIMUM OF TIME, AND PLACEMENT IN A JOB - A FORTE OF THE PRIVATE CAREER SCHOOLS THAT PROVIDE 65% OF THE NATION'S TRAINING OF ADULTS FOR WORK.

WHERE ARE THEY ABLE TO FIND THESE SCHOOLS DESIGNED TO MEET THEIR NEEDS? OF COURSE, ITS WHERE MOST OF THEM LIVE - IN THE INNER METROPOLITAN AREAS. THESE PRIVATE CAREER SCHOOLS ARE GEARED TO SERVE A CLIENTELE WHO ARE SIMPLY NOT WELCOME OR ACCEPTED BY THE TRADITIONAL UNIVERSITY AND COLLEGE SYSTEM. AND, AS THESE FORGOTTON CITIZENS WELL KNOW, THE COMMUNITY COLLEGES ARE OFTEN NOT GEARED TO MEET THEIR NEEDS FOR SUPPORT, TIMELY TRAINING AND JOB PLACEMENT.

THE PRIVATE CAREER SCHOOL I REPRESENT IS TYPICAL. WE ARE DESIGNED TO MEET THE UNIQUE NEEDS OF THE IMPOVERISHED AND TO PREPARE THEM FOR TECHNICAL POSITIONS IN THE HEALTH CARE INDUSTRY. OUR SCHOOL ENROLLS 1500 ADULTS EACH YEAR, 98% OF WHOM ARE BELOW THE POVERTY LINE. 90% ARE FEMALE AFRO AMERICANS AND 62% ARE SINGLE PARENTS. THEY AVERAGE 27 YEARS OF AGE AND HAVE A HISTORICAL DEPENDENCE UPON PUBLIC ASSISTANCE.

OUR SCHOOL COMPLETES OVER 60% OF ITS ENROLLEES AND CERTIFIES 96% OT ITS GRADUATES IN POSITIONS IN THE INDUSTRY AT STARTING SALARIES AVERAGING $17,000/YEAR. WE HAVE PLACED GRADUATES AT OVER $40,000/YR TO START. THESE RECORDS OF SCHOOL AND STUDENT PERFORMANCE ARE UNEQUALLED BY ANY OTHER SEGMENT OF HIGHER EDUCATION. IF WE TRANSLATE THIS SCHOOL'S RECORD IN TERMS OF ECONOMICS, ALONE; EACH YEAR

ITS GRADUATES GENERATE AN ESTIMATED 16.3 MILLION DOLLARS IN NEW PERSONAL AND TAXABLE EARNINGS. THESE NEW INCOMES RETURN TO THE FEDERAL GOVERNMENT, IN INCOME TAXES ALONE, APPROXIMATELY 2½ MILLION DOLLARS, AN ADDITIONAL 1½ MILLION DOLLARS IN STATE TAXES AND AN ADDED $330,000 IN NEW LOCAL TAXES. ADDED TO THESE 4½ MILLION DOLLARS IN NEW TAX REVENUES IS AN ESTIMATED 2.9 MILLION DOLLARS OF REDUCTIONS IN GENERAL ASSISTANCE COSTS. IN SIMPLE TERMS, OUR SCHOOL'S GRADUATES ALONE, EACH AND EVERY YEAR FOLLOWING THEIR GRADUATION, REPAY GOVERNMENT A HUGE 7 MILLION DOLLARS - IN RETURN FOR A GOVERNMENT INVESTMENT OF 3½ MILLION DOLLARS OF TITLE IV PELL AND LOAN FUNDS TO PAY FOR THIER TRAINING. PLEASE NOTE, WE STILL HAVEN'T ADDED IN TO THE EQUATION THE TOTAL OF STAFFORD LOAN REPAYMENTS. IN OTHER WORDS, EVEN IF THE CLIENTS OF OUR SCHOOL WERE IN DEFAULT 100% THE PUBLIC AND TAXING BODIES WOULD STILL GAIN A RETURN ON ITS TITLE IV INVESTMENT OF 100% - EVERY 6 MONTHS, OVER AND OVER AGAIN !

IT IS DIFFICULT TO IMAGINE ANY VALID RATIONALE, OR EVEN A VERY CONVOLUTED RATIONALE, THAT CAN MAKE A REASONABLE ARGUMENT FOR CUTTING TITLE IV FUNDING - OR ELIMINATING THE SCHOOLS THAT PROVIDE THE EMPLOYABILITY FOR THESE PEOPLE SEEKING TO RISE ABOVE POVERTY AND BECOME CONTRIBUTING SELF SUFFICIENT CITIZENS.

BEYOND THESE ARGUMENTS OF ECONOMICS, AS OVERWHELMINGLY PERSUASIVE AS THEY ARE, THERE IS ALSO WHAT WE BELIEVE TO BE AN EVEN MORE DEMANDING OBJECTIVE. THERE IS THE EXHILIRATION OF HUMAN ENTERPRISE AMONG PEOPLE WHO HAVE SUCCESSFULLY UNLOCKED THEIR ECONOMIC CHAINS - AND THOSE OF THE THOUSANDS OF CHILDREN DEPENDENT UPON THEM AND THEIR LIFE STYLE - WHO MAY THEN NOT BECOME ANOTHER GENERATION IN THE POVERTY CYCLE, OR THE DRUG CYCLE, OR CRIME CYCLE.

THESE ARGUEMENTS, AS WE SAID PREVIOUSLY, ARE PERSUASIVE. INDEED, THEY ARE ABSOLUTELY UNDENIABLE AND ABSOLUTELY CONCLUSIVE TO ANY ONE OR BODY OF REASON. AND, THEY REQUIRE A MEER FRACTION OF THE FINANCIAL EFFORT PUT FORTH TO ASSIST THE PEOPLE OF KUWAIT AND IRAQ. THESE ARE OUR OWN PEOPLE !

ADDED TO THESE ALLREADY INSISTENT CIRCUMSTANCES IS THE SUM AND SUBSTANCE OF THE PACKER REPORT TITLED WORKPLACE 2000 JUST DELIVERED TO CONGRESS,AND THE ILLINOIS OCCUPATION PROJECTIONS FOR 1986-2000 WHICH UNDERSCORES THE VERY SERIOUS SHORTAGE OF AND HIGH PRIORITY NEED FOR QUALIFIED HEALTH CARE WORKERS OF THE KIND OUR SCHOOL PRODUCES; AND THE PRIORITIES SET FORTH BY THE ILLINOIS BOARD OF HIGHER EDUCATION, THREE OF THE FOUR OF WHICH CALL FOR GREATER ACCESS TO HIGHER EDUCATION BY THE MINORITY SEGMENTS OF OUR SOCIETY; AND THE SUBSTANCE OF THE 14TH AMENDMENT TO THE CONSTITUTION THAT IS ROUTINELY VIOLATED BY SCHEMES AND DEVICES AIMED AT SHUTTING DOWN THE SCHOOLS OF CHOICE OF THOSE IN SEARCH OF A BETTER FUTURE; AND THE CATEGORICAL CONTRADICTION BY THE USDE OF ITS OWN SECRETARY'S AND THE PRESIDENT URGENT REQUEST - NO, THEIR DEMAND - THAT BIGOTRY IN HIGHER EDUCATION BE ABRUPTLY ENDED; AND THE PRESIDENT'S OWN NATIONAL PRIORITY CALL FOR FREE AND UNINHIBITED CHOICE OF SCHOOLS AS STATED ON FEB. 6, 1991; AND, ON AND ON.

THE PLANS AND DEVICES BY WHICH THE CONGRESS AND THE USDE INTEND AND HAVE ALLREADY BEGUN TO SHUT DOWN HUNDREDS OF PRIVATE CAREER SCHOOLS, OUR OWN INCLUDED, ON GROUNDS OF AN INCOHERENT LABEL OF "INSTITUTIONAL COHORT DEFAULT RATE", IS NOTHING SHORT OF INCREDIBLE, JUST AS IS THE ILLINOIS DETERMINATION TO CONTINUE DENYING ACCESS TO STATE MONETARY AWARD PROGRAM FUNDS BY ELIGIBLE CITIZENS ON GROUNDS OF SCHOOL CHOICE, ALONE.

SOMEHOW, THESE PLANS AND DEVICES ARE JUSTIFIED BY PROJECTED

"COST SAVINGS" - AND DRIVEN BY WHAT IS CLAIMED TO BE A HEROIC PUTTING TO AN END THE GHASTLY DEMON OF FRAUD AMONG "HIGH DEFAULT RATE SCHOOLS". IT IS PEOPLE, BORROWERS, WHO DEFAULT, NOT SCHOOLS. SCHOOLS HAVE LITTLE CONTROL OVER LOAN PERFORMANCE AFTER A STUDENT LEAVES. A DEFAULT RATE IS A CHARACTERISTIC OF A STUDENT BODY AND ITS CULTURES AND CIRCUMSTANCES, NOT A CHARACTERISTIC OF A SCHOOL. JUST POSSIBLY THE FRAUD, IF ANY HAS BEEN COMMITTED, IS ON THE PART OF A SYSTEM THAT FORCES PEOPLE WHOS CIRCUMSTANCES DISQUALIFY THEM EVEN FOR A CHECKING ACCOUNT, TO TAKE OUT A LOAN; FORCES ADDED TO BY CONVENIENCE ELIMINATION OF LEGISLATED PELL GRANT INCREASES, YEAR AFTER YEAR. WE HAVE TO ASK REALISTICALLY, WHERE HAS THERE BEEN FRAUD? WHAT COULD REASONABLY BE PROJECTED AS A LOAN PERFORMANCE PATTERN AMONG PEOPLE WHO HAVE LIVED IN A POVERTY CULTURE FOR YEARS AND GENERATIONS ? ANY BANKER COULD PROVIDE A REASONABLE PREDICTION.

YES, THERE ARE SCHOOLS AND STUDENTS WHO SET OUT TO DEFRAUD THE GOVERNMENT. AND, YES THEY SHOULD BE SHUT DOWN. BUT, THEY CANNOT BE IDENTIFIED BY AN INSTITUTIONAL COHORT DEFAULT RATE, PARTICULARLY AS REPORTED BY A FED. DEPARTMENT THAT ADMITTEDLY HAS A VERY NOISY DATA BASE AND EVEN WORSE DATA SOURCES. YES, AND THERE ARE BAD SCHOOLS AND PEOPLE COMMITTING FRAUD UNDER THE CLOAK OF RESPECTABILITY IN LOW DEFAULT RATE SCHOOLS, AS WELL.

THE USDE AND THE CONGRESS ARE NOT ELIMINATING SCHOOLS - AN EFFORT THEY POINT AT WITH PRIDE FOR PUBLIC EDIFICATION; THEY ARE ELIMINATING PEOPLE, AND THE FUTURES OF THOSE PEOPLE AND THEIR CHILDREN, AND THE CONTRIBUTIONS TO SOCIETY THAT THEY CAN AND WILL MAKE IF GIVEN THE OPPORTUNITY.

LET'S CONSIDER THE ONE ALL IMPORTANT BUDGET REDUCTION GOAL OF THE CONGRESS THAT MAY BE DRIVING SOME OF THIS EDUCATIONAL CARNAGE.

WE"VE ALLREADY POINTED OUT THAT EVERY DOLLAR OF TITLE IV FUNDS INVESTED IN PEOPLE, NO MATTER HOW EXTENSIVE THEIR RATE OF DEFAULT, TWO DOLLARS ARE RETURNED TO THE GOVERNMENT EVERY YEAR. REASON ENOUGH TO VOID SUCH AN OBJECTIVE.

BUT, EVEN IF THE OBVIOUS DIDN'T PREVAIL AND WASN'T CONVINCING, THE CONGRESS SHOULD TAKE NOTE OF AN ILLINOIS STATE BOARD OF HIGHER EDUCATION REPORT THAT STATES DEMAND FOR STUDENT LOANS IN ILLINOIS DROPPED 17% LAST YEAR - A YEAR IN WHICH HIGHER EDUCATION ENROLLMENT GREW BY 4%. NOW, IF WE CAN REASON THAT OTHER STATES HAVE EXPERIENCED SIMILAR REDUCTIONS IN LOAN DEMAND, ISN'T THE CONGRESSIONAL TARGET OF GSL REDUCTIONS ALLREADY IN HAND? AND, IF IT IS, MUST THE FRANTIC TARGETING AND DISENFRANCHISEMENT OF MINORITY PEOPLE IN PURSUIT OF BETTER LIVES AND FUTURES CONTINUE? IS THERE ANY FURTHER NEED FOR THIS CONTINUED DENIAL?

IN 37 YEARS OF EDUCATIONAL SERVICE AND LEADERSHIP IN ILLINOIS, I HAVE RARELY BEEN WITNESS TO SO UNREASONED, UNJUST AND ILLEGAL A DEPRIVATION OF EDUCATIONAL OPPORTUNITY. THERE CAN BE LITTLE DOUBT THAT THE SUITS BEING READIED ON BE HALF OF THE SCHOOLS AND CITIZEN STUDENTS TARGETED FOR ELIMINATION, WILL SUCCEED IF THE 14TH CONSTITUTIONAL AMENDMENT ISN"T REPEALED IN THE INTERIM.

CONGRESSMAN HAYES YOU MUST KNOW THAT WE FEEL VERY STRONGLY ABOUT WHAT IS HAPPENING, THE REASONING OR LACK THEREOF FOR IT, AND HOW THE PLAN IS BEING IMPLEMENTED. IT IS CATEGORICALLY WRONG, AS IS THE MANNER IN WHICH THE USDE IS ATTEMPTING TO DRIVE PRIVATE CAREER SCHOOLS OUT OF EXISTANCE.

LET'S LOOK AT WHAT IS HAPPENING. WE ALLREADY MENTIONED THE PACKER REPORT, WORKFORCE 2000, THAT FOCUSES ON THE NATION'S NEED TO TRAIN THE DISADVANTAGED AND POOR TO FILL THE NATION'S JOBS. IN APRIL, JUST LAST MONTH, A BLUE RIBBON COMMITTEE THAT EXAMINED THE USDE MANAGEMENT OF TITLE IV FILED ITS REPORT. THREE OF ITS FOUR FINDINGS AND RECOMMENDATIONS FOCUSED ON REPAIRING USDE TITLE IV MANAGEMENT ERRORS. THE FOURTH TARGETED "SHODDY" SCHOOLS FOR ELIMINATION FROM THE TITLE IV PROGRAM.

ABOUT THE SAME TIME THAT THIS COMMITTEE WAS INVESTIGATING THE USDE'S MANAGEMENT OF TITLE IV, THE USDE ITSELF INITIATED WHAT APPEARS TO BE AN ALL OUT ATTACK ON PRIVATE CAREER SCHOOLS WITH DEFAULT RATES OVER 35% - WITHOUT ANY CONSIDERATION FOR WHETHER THE SCHOOL WAS GOOD OR BAD. PROTOCOLS WERE TOSSED ASIDE, CONTRADICTIONS EVEN WITH THE DE'S OWN PROCEDURAL RULES WERE IGNORED, DUE PROCESS WAS CANCELLED, RIGHTS TO PRIVACY WERE TRAMPLED ON AND REASON AND PRUDENCE IGNORED DE AGENTS FANNED OUT ACROSS THE LAND, HIT LIST IN HAND, TO FIND WITCHES - ANY EXCUSE AT ALL TO DENY THE STUDENTS OF THESE SCHOOLS PELL AND GSL FUNDS. THE STRATEGY IS OBVIOUS - TO STARVE THE STUDENTS OF EDUCATIONAL FUNDS THUS DRIVING THEIR SCHOOLS OUT OF BUSINESS.

WHY THIS RECENT ALL OUT ATTACK ON JUST THE PRIVATE CAREER SCHOOL COMMUNITY? TO BEGIN WITH, ITS NOT COMMONLY KNOWN THAT THE USDE HAS NO OVERSIGHT RESPONSIBILITY FOR TRADITIONAL SCHOOL ADMINISTRATION OF TITLE IV PROGRAMS. CONSEQUENTLY, THE ONLY WAY FOR THE USDE TO "MAKE ITS MARK" IS TO DEVASTATE THE PRIVATE CAREER SCHOOLS, AND SO THEY HAVE AND ARE CURRENTLY SEEKING TO DO. OUR SCHOOL, FOR EXAMPLE IS HOSTING ITS FOURTH "INVESTIGATION" IN THE PAST 6 MONTHS. OUR MOST RECENT BIENNIAL FEDERAL AUDIT WAS FIRST ACCEPTED BY THE USDE WITH A CONGRATULATORY LETTER SENT US FOR IMPROVEMENTS. RECENTLY, THE CHICAGO REGION V OFFICE RESCINDED THAT EVALUATION AND THEN

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WARNED US OF OMINOUS CONSEQUENCES IF THE AUDIT WASN'T DONE OVER. ADDING TO THAT, THE REGION V HAS BEEN WITH HOLDING ALL PELL FUNDS FOR OUR STUDENTS SINCE LATE FEBRUARY NEARLY 3 MONTHS NOW;THE ILLINOIS GSL GAURANTOR HAS RECENTLY BEGUN TO DELAY LOAN GAURANTEES FOR OUR STUDENTS. WE HAVE BEEN WARNED BY TWO DIFFERENT INVESTIGATORS TO EXPECT STAGGERING FINES FOR OUR GRIEVIOUS WAYS. ALL OF THIS HARRASSMENT CAN HAVE BUT ONE OBJECTIVE - TO DRIVE THE SCHOOL OUT OF BUSINESS BY PREVENTING PELL AND GSL - DEPENDENT STUDENTS FROM PAYING THEIR TUITION BILLS. IT WILL OBVIOUSLY WORK, AND WORK QUICKLY, AS SCHOOLS CANNOT LONG AFFORD TO CONTINUE TRAINING PEOPLE WHO CAN'T OR AREN'T PAYING THEIR TUITION BILLS. THE WRECKAGE WILL BE OVER AND PERMANANT UNLESS THE USDE AGENTS ARE REINED IN. IF ASKED, THE DE WILL READILY PROVIDE ENDLESS EXCUSES FOR WHAT THEY ARE UP TO, OR, AS THEY HAVE US, FLATLY REFUSED TO ANSWER QUESTIONS CONCERNING THEIR MOTIVES AND OBJECTIVES. THE NATION IS RAPIDLY LOSING A VITAL RESOURCE BADLY NEEDED JUST NOW.

WE OFFER THESE RECOMMENDATIONS:

1. PEOPLE WHO TAKE OUT GAURANTEED LOANS BE PERSUED TO REPAY THEM BY ALL LEGAL AND PROPER MEANS INCLUDING INCOME TAX REFUND FORFEITURE, NOTICE TO EMPLOYERS AND TO CREDITORS ETC. IN ACCORDANCE WITH LAW AND CIVIL RIGHTS.
2. PELL GRANTS FOR THE IMPOVERISHED SHOULD BE INCREASED REGULARLY AND MAINTAINED AT A LEVEL EQUIVALENT AT LEAST TO THE AVERAGE COST OF AN ACADEMIC YEAR'S TUITION - AND DENIED FOR TWO YEARS OR MORE TO ANYONE WHO HAS COMPLETED A TRAINING PROGRAM PAID PARTLY OR IN FULL BY PELL FUNDS OR WHO IS IN DEFAULT ON A GSL.
3. WHERE FRAUD IS SHOWN TO HAVE OCCURED BY A SCHOOL OR BY A RECIPIENT OF TITLE IV, WHERE DUE PROCESS IS APPLIED, THAT PERSON OR SCHOOL SHOULD BE DENIED PARTICIPATION IN THE HEA PROGRAMS.
4. PERSONS SHOULD BE IDENTIFIED BY THE FACT OF THEIR DEFAULT.
5. SCHOOLS SHOULD BE IDENTIFIED BY SUCH INSTITUTIONALLY CONTROLLABLE PARAMETERS AS COMPLETION RATES, AND PLACEMENT RATES THAT ARE VERIFIABLE, AND STUDENT RATINGS OF THE SCHOOL, ETC. AND ACCREDITATION ETC.
6. SHOULD THE INSTITUTIONAL COHORT DEFAULT RATE SOMEHOW PERSIST AS A RATING TOOL, THAT DEFAULT RATE SHOULD BE MITIGATED OR ADJUSTED BY A FACTOR DESCRIPTIVE OF THE PROPORTION OF THE SCHOOL'S STUDENT BODY THAT IS PELL-ELIGIBLE OR IMPOVERISHED. I RECENTLY SENT YOU SUCH A RECOMMENDATION WITH RATIONAL AND SUGGESTED ADJUSTMENT FACTORS - AND WILL AGAIN COPY YOU IF YOU WISH.
7. ALL STUDENT LOANS SHOULD BE GAURANTEED AND ISSUED IN A TIMELY MANNER BY THE GOVERNMENT ITSELF, THUS ELIMINATING VERY CONSIDERABLE NOISE, ERROR, WASTE AND COSTS THAT PRESENTLY EXIST IN THE SYSTEM.
8. THE LONG LIST OF DISCRIMINATORY PUNITIVE REGULATIONS AND RE-

STRICTIONS AIMED SOLELY AT TARGETED PRIVATE CAREER SCHOOLS BY THE USDE, AND WHICH ARE CLEARLY INTENDED TO BE ONLY PUNITIVE, AND WHICH HAVE THE EFFECT OF COSTING STUDENTS MORE IN TUITION; AND WHICH ARE CLEARLY AND CATEGORICALL DISCRIMINATORY, SHOULD BE ELIMINATED IMMEDIATELY.

9. STUDENTS APPLYING FOR GRANTS AND LOANS UNDER THE HEA SHOULD BE ELIGIBLE AND NOT DISCRIMINATED AGAINST ON GROUNDS OF USING THEM IN AN ACCREDITED PRIVATE CAREER SCHOOL.
10. THE UNREASONABLE USDE WITCH HUNT AND HARRASSMENT AIMED AT 400 - 500 SCHOOLS AND THEIR 200,000 PLUS STUDENTS SHOULD BE STOPPED.
11. CITIZENS OF THIS STATE AND COUNTRY SHOULD BE PROVIDED FREE CHOICE OF EDUCATIONAL OBJECTIVES AND THE SCHOOLS THEY FEEL CAN BEST MEET THEIR NEEDS.

IN OCTOBER, 1953, THE SUPREME COURT UNANIMOUSLY INTERPRETED THE LAW TO CLEARLY PROVIDE FOR EQUAL OPPORTUNITY IN EDUCATION ACROSS THE LAND. HERE, TODAY 38 YEARS LATER, WE DEBATE MIGHTILY ON WHETHER OR NOT SUCH OPPORTUNITY SHOULD BE PROVIDED EQUALLY UNDER THE REAUTHORIZED HEA. OUR TIME WOULD BE BETTER SPENT PROVIDING FULLY AND EQUALLY FOR EDUCATIONAL OPPORTUNITY IN THE INTEREST OF ALL THE PEOPLE AND THE NATION'S FUTURE WELL BEING.

THANK YOU FOR THIS OPPORTUNITY TO EXPLAIN OUR CONCERNS FOR THE FORGOTTEN OTHERS, FOR ECONOMIC DEVELOPMENT THROUGH THE EDUCATION AND EMPLOYMENT TRAINING OF PEOPLE, AND TO OFFER OUR RECOMMENDATIONS. WE ARE AT YOUR DISPOSAL IN ANY WAY THAT MAY ASSIST YOU IN YOUR EFFORTS TO PUT TOGETHER A REASONED HEA PROGRAM, AND WILL BE HAPPY TO ANSWER QUESTIONS AT THIS OR ANY OTHER TIME.

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DATE: 4/23/91

TO: IMTC STAFF

FROM: J.R. Gibson

SUBJECT: USDE Hassel and Hearing

As you know, the flow of "inspired" USDE and other "investigators" continues throughout the Private Career School industry. It is our firm belief that their overall mission is to seek and find fault, any fault, and harrass the schools into closing down.

This effort in turn appears to be inspired by a Congressional intent to cut the student Financial Aid budget. Schools like IMTC that serve a more disadvantaged population of inner metro areas and have higher student loan default rates, are highest on the hit list. The fact that they cut govt. costs, stimulate the local economy, serve industry and reduce personal poverty goes unnoticed.

The results are becoming apparent. Private Career Schools in Chicago have closed at a rate of nearly one each month in the past two years Only half the medical tech schools that were in Chicago 2 years ago remain today. Who knows how many will remain to serve Chicago people and employers in another year. Its quite possible that the USDE "scourge" could leave the industry of health care almost without any training capability at all.

IMTC has felt the effects like others. The most recent "attack" by the USDE is to have deprived students and schools of their Pell grant funds for up to two months- and required the schools to "beg" for these funds on behalf of the students through endless paper work chores and convolluted processes. The effect is obvious. Without these funds, students can't pay their tuition and a school is hard pressed to meet its obligations, often forced to close.

IMTC was put in this position arbitrarily and without due process on Feb. 28. We asked for a hearing to no avail. Then some Congressional friends made calls to the USDE which abruptly got us a hearing.

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The hearing took place on Friday, April 19. You might say it ended in a draw. We didn't lose, but neither did we win anything. We were given some "tasks" to perform, to the USDE's satisfaction after which we could presumably petition them for relief. And so it goes - a continuing saga of witch hunting and grief which, at the bottom line, has the effect of disadvantaging the disadvantaged while seriously threatening the Health Care Industry of the Chicago Metro area and substantially damaging the Chicago economy. These are classic understatements. There are much more serious ways of characterizing what the USDE is up to and the effect they are having.

This is the thick of the war we've been telling you about. Our goal is survival in order to continue service to people and the industry.

Thanks for all you have done and can do to help. We all have a great stake in the outcome. The "war" should end this summer after the Congress has decided what it will do in reauthorizing the Higher Education Act. The Congress will either knowingly or otherwise sustain the USDE recent aggression or, possibly, awake to what has been happening and bring it to a screeching halt. Who knows, it might take a trial in Federal Court to reveal what is going on and how.

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CONTACT: DR.J. GIBSON, ED. D
PRESIDENT
ILL. MEDICAL
312/782-2061

FOR IMMEDIATE RELEASE

A BAIL OUT FOR (THE GOVT.) (?)

SURPRISING, EVEN STUNNING RESULTS OF A RECENT STUDY POINT TO A MAJOR BAIL-OUT FOR THE GOVERNMENT AND THE NATION.

THE STUDY CONDUCTED BY THE MIDWEST CENTER FOR LABOR RESEARCH IN CHICAGO MEASURED THE ECONOMIC IMPACT OF EDUCATION AND TRAINING FOR EMPLOYMENT BY A RESPECTED PRIVATE CAREER SCHOOL IN CHICAGO. THE ILLINOIS MEDICAL TRAINING CENTER SPECIALIZES IN PREPARING ADULTS FOR EMPLOYMENT IN MEDICAL TECHNICAL FIELDS.

THE STUDY FINDINGS ARE SURPRISING - ALMOST OVERWHELMING. THEY SHOWED THAT GOVERNMENT ASSISTANCE PROVIDED TO UNEMPLOYED AND UNDER-EMPLOYED ADULTS THROUGH GRANTS AND LOANS FOR EMPLOYMENT TRAINING IS RETURNED IN FULL WITHIN 6 MONTHS OF TRAINING COMPLETION AND THAT THE "PROFITS" TO THE GOVERNMENT OF SUCH INVESTMENT IN PEOPLE FLOW CONTINUOUSLY THEREAFTER, INDEFINITELY.

THE STUDY RAISES SERIOUS QUESTIONS IN THE FACE OF RECENT AND CURRENT CONGRESSIONAL PLANS TO CUT SPENDING UNDER THE HIGHER EDUCATION ASSISTANCE ACT BY TWO BILLION DOLLARS AND IN VIEW OF THE STATE LEGISLATURE'S PERSISTENT REFUSSAL TO PROVIDE FUNDING TO MANY ELIGIBLE CITIZENS OF ILLINOIS IN NEED OF EMPLOYMENT TRAINING UNDER ITS MONETARY AWARD PROGRAM. INVARIABLY, LAWMAKERS EXPLAIN

THEIR REFUSALS AND/OR CUTS OF SUPPORT IN THESE AREAS BY POINTING TO OTHER HIGHER PRIORITIES FOR LIMITED TAX FUNDS EVEN THOUGH THESE OTHER PRIORITIES DON'T RETURN ANYTHING FOR THE INVESTMENT OF PUBLIC FUNDS AND EVEN IF THEY DO, ALMOST NEVER 100% RETURN ON INVESTMENT IN 6 MONTHS REPEATED INDEFINITELY.

THE TRAINING AND RETRAINING OF THE STATE'S AND NATION'S WORK-FORCE HAS LOOMED AS A MAJOR CONCERN FOR THE DECADE OF THE NINTIES, AND THE MOST CRITICAL ELEMENT IN ECONOMIC DEVELOPMENT. YET, LAWMAKERS CONTINUE TO CUT AND SET ASIDE PROGRAMS INTENDED TO PUT PEOPLE TO WORK WITH A STRANGE CASUALNESS IN PREFERENCE FOR THE "IMMEDIACY" OF FUNDING PET PROJECTS WITH PUBLIC FUNDS.

WILL WONDERS NEVER CEASE ?

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March 25, 1991

Dear Representative/Senator

As you consider reauthorization of the Higher Education Act, please know that the inpact of what congress does on millions of lives and of the nation's economy will be very substantial in both the near and long term.

In his recent testimony before senator Pell's subcommittee, Mr. Packer, who co-authored the report WORKPLACE 2000, made several telling points including:

*The skills gap is constraining economic growth;

*The work force will grow more slowly creating shortages;

*The average age of the work force will increase;

*New entrants in the work force will be primarily female, minority and immigrants;

*Job market demands will change rapidly;

*The nation job training system is inadequate to meet the needs of the ninties;

*We must assure that minorities and disadvantaged Americans have job training opportunities ("The forgotten half"); and

*Training institutions such as the private career and trade schools, that provide job-specific training and placement, are critically needed (They deliver 50% of the nation's job training, now).

In recent past weeks, we sent you information that documents the following:

1. A substantially (17%) reduced applications for stafford loans has been revealed in Illinois. If other states are experiencing the same loss of demand, then congressional budget reduction may already be in hand;

2. Not withstanding #1, above, the Dept. of Education is hotly pursuing the "kick out" of 400-500 private career and trade schools with "high" default rates.

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As it's choice of means for cutting the demand (budget)of the HEA Title IV without the least thought given to the obvious-that these are typically the schools serving the inner cities of minority, impoverished people seeking to join the work force and leave the general assistance rolls-upwards of 200,000 such people needed in the work force. The DE is using all manner of punitive, discriminatory and harassing devices to eliminate these schools and their adult students; and

3. Inspite of "high" default rates, drop outs etc..., financial aid provided students under the HEA Title IV is all repaid 100% to the federal government within one year of their completion and thereafter, repeatedly, to say nothing of the tax gains made by local and state governments.

Put briefly, HEA Title IV assistance is badly needed, is an excellent investment, returns 100% of investments annually, returns even more to local and state governments and is most effectively being used by citizens who seek training in the private career schools of America (for good and sufficient reasons), schools the Dept. of Education intends to shut down 10-12% of which serve the most needy and most needed by the nation in the inner cities of the country. The traditional college community won't even enroll them. So much for the problems, now about solutions.

A simple yet obvious and effective suggestion would be to "adjust" or mitigate the DE label given every student body (schools), in terms of it's "cohort default rate", by a factor depending upon the percent of Pell-eligible students (impoverished) served by that school as follows:

> "The USDE shall adjust a school's cohort default rate by dividing it by one plus the decimal equivalent of students served during the FY who were Pell-eligible."

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THE FORMULA IS $Ra = \frac{R}{1+E}$

Some numeric samples follow:

UNADJUSTED COHORT DEFAULT RATE (R)	OF STD. SERVED, % PELL ELIGIBLE (E)	ADJUSTED COHORT DEFAULT RATE (Ra)
.60	90%	.32
	60%	.38
	30%	.46
	0%	.60
.40	90%	.21
	60%	.25
	30%	.31
	0%	.40
.20	90%	.11
	60%	.13
	30%	.15
	0%	.20

The rationale is clear. This system of mitigating or adjusting the DE's "Cohort Default Rate" would take into some account the levels of need (and liklihood of loan performance) of the students served by the school; the needy being those likely to be on general assistance, minority, single parents etc... who comprise the best investment for Title IV funds.

We hope you will consider Mr. Packer's points, ours and the proposal we've offered for making reasonable distinctions among significantly different kinds of students and, therfore, the schools that serve them! To do so will save the opportunities of hundred of thousands of needy and needed adults-and their very substantial potential contribution to their own and the nation's well being.

Yours truly,

Dr. John R. Gibson
President

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ALTERNATE FORMULA
(FOR MITIGATING AN INSTITUTIONAL DEFAULT RATE)

This alternate formula is more complex as it incoporates the several factors of:

1. Student economic circumstance-expressed as a percent of Pell-eligible students among all enrolled during the year (E).
2. The cohort default rate reported by the USDE by present formulation (R).
3. The completion rate or percent of those scheduled for completion in the year who did in fact complete(C).
4. The job placement rate or percent of completers placed in jobs related to their training (verified) within 60 days of completion(P).

The formula (Thesis) yields an adjusted cohort default rate such as to penalize the school with a bad rate or poor profile by actually increasing it's default rating (Ra) and such as to reward the school with a satisfactory to excellent rating. The three factors taken into account in this alternate formulation are generally accepted as the principal variables in profiling a school and student body. The higher the percent of impoverished students served (E), as measured by % of Pell-Eligible students, the stronger the school's profile; and completion rate (C) and job placement rate(P), the stronger the school's profile.

The mathematical expression of this thesis is Ra= $\frac{R}{1+E} \times \frac{1}{C+P}$ where the expression or factor $\frac{R}{1+E}$ most profiles the student body in economic or need terms while the expression $\frac{1}{C+P}$ most profiles a school's outcomes as an expression of it's effectiveness.

The following table arrays institutional factors and numeric range for each vs. Subjective levels for profile rating that are generally agreed upon.

INSTITUTIONAL PROFILE

PROFILE FACTOR	POOR	WEAK	SATISFACTORY	GOOD	EXCEPTIONAL
R	.50-1.00	.49-.30	.29-.20	.19-.10	.09-0.0
E	.00- .10	.11-.25	.26-.40	.41-.60	.61-1.00
C	. 0- .25	.26-.35	.36-.45	.46-.55	.56-1.00
P	. 0- .25	.26-.40	.41-.50	.51-.70	.71-1.00
Ra	1.00-.36	"KICK INSTITUTION OUT"			
	.35-.30	INSTITUTIONAL PROBATION			
	.29-.20	SATISFACTORY			
	.19-.15	GOOD			
	.14-0.0	EXCEPTIONAL			

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The effect of this alternative system of "adjusting" the USDE cohort default rate or institutional profile is to actually increase the default rate of a poor school while decreasing the default (institutional) rating for institutions having a strong participatory and productive profile.

Three examples follow:

INSTITUTION A (POOR PROFILE)

Default rate of 60%, low 10% of low income enrollees, a completion rate of 25% and a job placement rate of 25%. The adjusted Ra rating of the school becomes by the formula 109%, a substantial penalty increase.

INSTITUTION B (SATISFACTORY PROFILE)

DE default rate of 25%, a significant 30% of low-income students, a completion rate of 40% and a job placement rate of 45%. The Ra (adjusted rate) of the school becomes .20(20%), a minor favorable adjustment.

INSTITUTION C (FOOD PROFILE)

DE default rate of 15%, a significant 42% of low income students, a completion rate,of 50% and a job placement rate of 65%. The Ra (adjusted rate)becomes 9%, a rewarding reduction in rate from the reported 15%.

The merit of this thesis is the incorporation of both the economic (needy) charateristics (profile) of the student body and two important outcomes, completion and job placement rates, that are desirable and within the reasonable control of the institution. Furthermore, this alternative formula applies equally well to all forms of Higher Education institution without the disparities of existing approaches to rating institutions.

We hope you will see merit in this proposal and give it consideration as you have our other suggestions for solutions.

The Illinois Medical Training Center is:

- Devoted soley to the preparation of interested people for employment in a variety of medical technology areas.
- Delivering both Diploma and Associates Degree level training.
- Well regarded by all professional, regulatory accrediting etc., agencies and as well as by NE Illinois employers.
- Known for the length and strength of it's curricular and faculty (50% MD's).
- Serving a population which is generally disadvantaged socially, educationally and economically, but who are intent on succeeding.
- Known for it's lender-supportive policies and practices such as holding loan application until students report to class notifying lenders of each and every student's departure date and circumstance etc.
- Financially sound, educationally successful and growing rapidly by reason of it's reputation and the demand of the industry (100% growth in enrollment past 12 months).
- Handicapped by a variety of disagreeing default rate claims ranging from 6% to over 50%, none of which have proven accurate by audit. Example: a recent ISAC audit resolved that 12% of listed borrowers from our school never received a loan and were not borrowers after having made an application for a Stafford Loan subsequently guaranteed by ISAC.
- Continuing to maintain that even a accurate default rate is attributable to the characteristics of a student body more than it is of a school.
- Implementing a staunch and persistent default reduction plan incorporating constant education of it's students in programs as well as those who drop and graduates.
- Placing an average 150 Stafford Loans each month on a uniform basis throughout the year.
- Currently serving an active student body of about ~~100~~ 1000 students.
- Desirable of a volume-lender association in Illinois that could lead to client relations among our students and their lender; and
- Will look forward to a mutally rewarding association with your institution.

IMTC January, 1990

School Evaluation : A Student Survey

A good and effective school must be evaluated continuously and improved at every opportunity. At IMTC, evaluation is a daily process involving a variety of methods and sources. Student opinion and feedback may be the most important of the many sources available.

A survey of student opinions among 75 randomly selected students was taken in mid 1989. The respondents were from eight different class sections and had attended IMTC from a month to six months.

Respondents were asked to rate twelve aspects of class room learning indicated by the categories shown, and provided the ratings shown in Table 1

TABLE 1

Classroom Experiences

Category	Great	Good	Bad	Ugh
Class attention held	64%	35%	1%	0%
Instructor lectures	76%	21%	3%	0%
Instructor knowledge	75%	25%	0%	0%
Varied teaching method	76%	21%	3%	0%
Homework, quizzes, exams	62%	38%	0%	0%
Class discussions	63%	37%	0%	0%
Student participation	61%	39%	0%	0%
Class organization	51%	43%	6%	0%
Interesting information	65%	35%	0%	0%
Would recommend the school	68%	31%	1%	0%
Dress code/uniforms	59%	38%	3%	3%
Class time use	58%	33%	9%	0%

CONCLUSION:

Students exposed to the IMTC's programs, classes, instructors and support services in their pursuit of a career in the Medical field are satisfied, even very pleased, with their experiences. They appear to be comfortable at IMTC and more importantly, have a strong sense of a career progress. Confidence in the school and their career futures is evident all along the way as is satisfaction with the support services provided by the school. Their suggestions for improvement in school operations were constructive and lacking noticeably any tone of complaint. Among the seventy five students surveyed, only two displayed a negative attitude.

EXECUTIVE SUMMARY

The Midwest Center for Labor Research, a non-profit consulting group based in Chicago, performed a public balance sheet on the savings and expenditures on the part of the government resulting from the training of medical technicians by the Illinois Medical Training Center.

On the "cost" or investment side of the ledger, three-fourths of government expenditures are attributable to federal Pell Grants to eligible students attending the Illinois Medical Training Center. Additional support is provided in the form of one year of interest payments on Guaranteed Student Loans and reimbursements to GSL lenders in the event of student default.

On the much-less understood "income" side of the ledger are new tax revenues (federal, state, income and social security taxes) the students generate as taxpayers once they become employed as medical technicians. As well, many IMTC alumni no longer receive Public Aid, saving government additional spending.

We estimate that over two years at IMTC's current enrollment levels, the local, state and federal governments will take in $3.95 million more in new taxes, and government will save an additional $3.41 million in public aid expenditures. Total government income plus savings are $7.36 million.

To obtain that income, the government will invest $1.9 million in Pell Grants and Guaranteed Student Loans in order to obtain these savings. On balance the government will obtain net savings of $5.5 million from the training of the 880 students currently enrolled at the Illinois Medical Training Center -- an average saving of $6,250 per student.

At that rate, we estimate that government breaks even on its IMTC student investment 6.1 months after graduation and placement.

The composition of IMTC's student body is 80% black and 72% female. The average student age is 27.9 years, with an average of 1.5 dependents. More than 15% live with their parents, many of whom receive AFDC. Additionally, 29% of the students themselves receive AFDC. Only 44% of the students have earned income in the form of wages or salaries, and only 19% of all the students at IMTC have sufficient income to incur federal income tax obligations prior to graduation and placement.

The average medical technician graduating from IMTC as of June 1990 received wages of $14,664 a year. After a year on the job they will be paying on average $674 in U.S. income taxes. They

Second Quarter 1990

Volume 1, Number 2

Exhibit A

SWEET Ideas

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Mitchell Sweet & Associates
Your Financial Aide

FACTS SHOW PRIVATE CAREER SCHOOLS' SUCCESS

John Pucciano, President of the Association of Independent Colleges and Schools (AICS), told more than 350 attendees at the MSA Sweet Ideas for the 90's Conference that career schools are doing a better job of meeting the nation's educational needs than other sectors of post-secondary education when the actual facts are compared.

As evidence of this industry's service to the disadvantaged student, Pucciano stated that career schools educate:

- a higher proportion of women (78%),
- a higher proportion of ethnic minorities (40%),
- a higher proportion of independent students (54%), and
- 29% students from other postsecondary institutions.

The service provided to postsecondary education by career colleges was illustrated with the following facts:

- 50% of all postsecondary vocational training in the U.S. is provided by career colleges, and
- career colleges graduate a higher percentage of their students than any other postsecondary sector.

61%	Career Colleges
43%	Community Colleges
41%	Four Year Colleges (after 6 years from start)
33%	Job Corps

Pucciano stated that not only do the private career schools provide a higher degree of service to the postsecondary marketplace, but the students who attend career schools gain more when compared to community colleges. Due to the fact that the 81% placement rate from career schools is the same as the community college placement rate, and 50% more students graduate from career schools than community colleges, the career school student has a better chance of getting a job.

In addition, career school graduates earn more than community college graduates, $14,061 per year for a career school graduate versus $12,739 per year for a community college graduate. Moreover, students who enrolled, but did not complete a career school program earn more than those who do not complete any other postsecondary education alternative.

(continued on page 7)

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D Chicago Tribune, Friday, September 28, 1990 Section 2 5

College graduation rates low

Minorities likely to leave Illinois schools, study says

By Casey Banas
Education writer

Only a small fraction of minority students at Illinois public colleges graduate in four years, according to a study for the Illinois Board of Higher Education, and education officials say this underscores the need to provide additional support services to minority students.

Nearly 63 percent of black students enrolling in the 12 Illinois public universities between 1980 and 1983 dropped out at some point, according to a study for the Illinois Board of Higher Education.

Fewer than 5 percent of them graduated in four years, though nearly 18 percent graduated in six years.

Among Hispanics, 52.5 percent dropped out, 9 percent graduated in four years, and 24.2 percent graduated in six years.

Among white students and other non-blacks, non-Hispanics, 30.8 percent graduated in four years, 54.1 percent graduated in six years, and 37.2 percent dropped out.

The study, to be presented Tuesday at a Board of Higher Education meeting, indicates the need for state universities to "enhance their programs for minority students," said Richard Wagner, the board's executive director.

"The academic prepa these students is critical,"

College admissions offi reasons why students t than four years to earn a bachelor's degree.

For example, some students finish their freshman year, then must work to earn money to continue. Some change their majors after one or two years, then must stay on campus longer to complete course requirements in their new field. Some marry, drop out, then return. Some drop out for a semester to pursue interests, then come back.

"I have to work to meet my bills," said Wesley Swietek, a junior at Northern Illinois University, who will need 4½ years of college to complete his degree. This semester, he is taking only six credit hours instead of the usual 15 while working 40 hours a week as sports editor of the student newspaper, a paid position helping him to get through school.

Michael Hughes, another Northern Illinois junior, also expects to stay at the De Kalb university for 4½ years, but for another reason. "I want to get more electives for a broader background," he said. Hughes is aiming for a public relations career, and said added courses in business and psychology will keep him on campus an extra semester but prepare him better for the job world.

- ● Among 127,151 whites and others: 30.8 percent graduated in four years, 54.1 percent graduated in six years, 37.2 percent left and 8.7 percent were still enrolled.
- ● Among 18,661 blacks: 4.8 percent graduated in four years, 17.9 percent graduated in six years, 62.9 percent left and 19.2 percent were still enrolled.
- ● Among 4,839 Hispanics: 9 percent graduated in four years, 24.2 percent graduated in six years, 52.5 percent left and 23.3 percent were still enrolled.

For the first time, the board has sent to 700 Illinois high schools reports on their graduates attending state universities, correlating college freshmen grades in English, mathematics and science with high school courses in the same subjects.

Earlier this week, a College Board study found that the college-going rate was virtually the same for white, black and Hispanic students who took high school geometry.

That report, based on a national study of 15,941 students, found that overall 58 percent of whites, 47 percent of blacks and 45 percent of Hispanics enrolled in college within four years of high school graduation.

ong students taking ge-
3 percent of whites, 80
blacks and 82 percent of
went to college within

IMTC graduates
60+ % of it's
students! (Mostly
minority economically
disadvantaged.

Exhibit D

20 CHICAGO SUN-TIMES, FRIDAY, SEPTEMBER 21, 1990

Job training study rejects 'school first' plans

By Sam Fulwood III

Los Angeles Times

WASHINGTON—Low-income single mothers who receive basic education as part of job-training programs are more likely to find employment and earn higher pay than those who first try for high school diplomas, the Rockefeller Foundation found in a study.

The foundation said a job-training program in San Jose, Calif. that included classroom study in technical courses "had large positive impacts on employment and earnings by the end of the first year." Women in programs in Atlanta, Providence, R.I., and Washington, D.C., where remedial education preceded training "did not achieve similar early gains."

The San Jose program reported increases of 27 percent in employment and 47 percent in earnings, compared with a control group of women who received no training. The other three programs resulted in virtually no gains for the women who participated.

The Rockefeller study should prompt state officials to consider alternatives to the traditional "school first" training as they comply with federal job-training programs, senior researcher John Burghardt said.

"We're not saying that improving basic education skills or getting people [high school diplomas] is a bad thing," he said. "But there should be a wider array of options. People should think about other ways of doing this."

The Family Support Act of 1988, which replaces the Aid to Families with Dependent Children program, requires states to begin new programs in October that will shift low-income mothers from welfare dependency to self-sufficiency.

A key provision of the law requires single welfare recipients with children under age 3 to further their educations or accept job training to qualify for continued government support.

Despite complaints from critics of the law that the programs do little to help keep single mothers off welfare, states are drawing up a variety of remedial-education and job-training programs for the women.

The Rockefeller Foundation provided $12 million for the study, which tracked a random sample of 4,000 poor women in job-training programs run by private community groups.

In Atlanta, Providence and Washington, the organizations followed the traditional approach of testing applicants and then providing a typical classroom education to qualify them for the equivalent of a high school diploma.

Those who obtained graduate equivalent diplomas then were offered training in specific job skills.

But the Center for Employment Trainir in San Jose deviated from that approach t choosing not to pretest applicants and t provide immediate entry into specific train ing programs. Basic education, in subjec such as English and mathematics, w melded into the practical curriculum.

Burghardt discounted the possibility th improved results in San Jose stemmed fro superior administration of the job-trainir program or more committed participant Rather, he said, each of the programs w well-supervised and all participants we volunteers free to leave at any time.

He said further study is needed to dete mine which types of job-training progran work best. Additional follow-up intervie will be conducted after 30- and 60-mont periods to determine the longer-term in pact of the various projects in the Rockefe ler study.

National
Association of
Trade & Technical
Schools

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Washington, DC 20007

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NATTS

May 19, 1989

Dear NATTS Member:

As you know, the Stafford Loan Program has been an important and controversial issue for the past 16 months. Members of Congress and officials of the Department of Education are continuing to take a critical look at default rates throughout higher education.

According to U.S. Secretary of Education, Lauro Cavazos, "most private career schools are doing a competent, conscientious, professional job, but many clearly are not--judging by default rates and by the letters of complaint we get."

To offset such criticism and to put student default rates and the Stafford Loan Program in perspective, the Career Training Foundation has completed a number of research projects in the past 18 months which have resulted in the enclosed study--"Private Career Schools and the Stafford Student Loan Program."

As you will see in your copy:

- the default rate has remained relatively constant for the past 10 years;
- the cost of defaults has increased by 200% in five years, reflecting growth not in default rates but in loan volume;
- the actual cost of giving loans to students in four-year schools with low default rates may be two times more expensive than giving loans to private career school students with higher default rates.

In our opinion, these studies include several other important findings which are important to improving the understanding of private career schools and should be made available to elected officials and business and community leaders.

STATE OF ILLINOIS
BOARD OF HIGHER EDUCATION

NEWS RELEASE FOR USE AFTER 10:00 A.M. JANUARY 3, 1991

SPRINGFIELD, January 3, 1991....The Board of Higher Education staff today released fiscal year 1992 operating budget recommendations of $2,047.1 million, an increase of 8.9 percent, or $167.7 million over the comparable fiscal year 1991 appropriations.

Richard D. Wagner, Executive Director of the Board of Higher Education staff, said: "These recommendations build upon the higher education funding base strengthened by the enactment of the income tax surcharge and target resources to advance four major priorities: improving student financial aid for those with need and keeping the price of education affordable; improving workforce preparation and economic development; improving the quality of undergraduate education; and improving minority student achievement at all levels of education. At the same time, these recommendations recognize that additional state resources for higher education will be limited and that colleges and universities will need to continue to address the way resources are internally allocated."

3 of [illegible] major for Priv. Schools clientele.

Specifics of the fiscal year 1992 operating budget staff recommendations include:

-- Increased funding of $21.6 million, or 12.0 percent, for the need-based Monetary Award Program of the Illinois Student Assistance Commission. The Monetary Award Program recommendation of $201.2 million will provide about 111,600 awards in fiscal year 1992 with a maximum award of $4,000, up from the current maximum of $3,500.

why Exclude Priv Schools?

-- An increase of $21.1 million, or 9.2 percent, in state appropriations for community colleges including increased funding to help colleges meet the workforce training needs of business and industry and to strengthen instructional programs. ?

only?

-- A total increase of 8.3 percent for university operations including increased funding of $27.3 million to improve the quality of undergraduate education, to promote greater minority student achievement, and to enhance programs that contribute to economic development. Of this amount, $13.8 million in additional funds are recommended and $13.5 million are from institutional funds reallocated to higher priority programs.

-- A faculty and staff salary increase averaging seven percent and funds to pay increased costs of four percent for supplies and services and ten percent for library materials. Fiscal year 1991 appropriations provided funds for an average salary increase of 1.9 percent for faculty and staff. No additional funds were provided for increased costs of utilities, supplies, and services in fiscal year 1991.

-- A tuition increase of five percent at public universities is recommended. Tuition rates were not increased at Illinois public universities in fiscal years 1990 and 1991.

In addition to these recommendations for institutional operations and grants, the minimum statutory funding requirement for the state's five retirement systems requires an appropriation of $146.6 million for the State Universities Retirement System.

Wagner stressed that the fiscal year 1992 recommendations address the statewide goals for Illinois higher education and are directed to improving the performance of higher education in the 1990s. The goals include extending educational opportunities, maintaining a diversity of institutions,

transfers

including Priv.

providing services to help students learn and achieve personal growth, contributing to public understanding of society's needs and problems, and assuring excellence in Illinois higher education by increasing the quality and cost effectiveness of all programs and services.

Wagner said: "Increased state support for higher education is an investment in the people of Illinois and their future. The investment is critical because the economy of the state requires ever increasing knowledge and skills among the people who make up the state's workforce. At the same time, we in higher education know that we cannot assume that new programs and services can be initiated only with new state dollars. Colleges and universities must continue to reallocate existing resources from lower to higher priority programs and services.

"Illinois higher education faces many challenges in the 1990s. Renewed investment by the state of Illinois and targeted allocation of resources by colleges and universities will both be necessary to meet these challenges and move the higher education system forward in achieving its goals."

The Board of Higher Education will consider these staff recommendations when it meets on January 8, 1991 at the Westin Hotel in Chicago. The Board of Higher Education budget recommendations are submitted to the Governor and General Assembly. Fiscal year 1992 appropriations are for the year beginning July 1, 1991.

For more information please contact:

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217/782-2551

Ross A. Hodel
Deputy Director
217/782-2551

Student loans plummet in Illinois

Loans down, enrollment up

CITY COLLEGES	1988-89 loans	1989-90 loans	Change	1990 enrollment
Citywide	130	48	−63.1%	−12.8%
Daley	82	107	+30.5%	+2.4
Kennedy-King	853	534	−37.4	−0.8
Malcolm X	388	235	−39.4	−3.2
Olive-Harvey	243	165	−32.1	+2.9
Truman	142	33	−76.8	+16.6
Washington	142	231	+62.7%	+3.0
Wright	60	38	−36.7	+18.5
TOTAL	2,040	1,391	−31.8%	+2.8
STATE COMMUNITY COLLEGES				
TOTAL	12,887	11,966	−7.1%	+4.1%
STATE FOUR-YEAR COLLEGES				
TOTAL	46,079	39,466	−15.8%	+0.8%

SOURCES: Illinois Student Assistance Corporation, Chicago City Colleges

SUN-TIMES

By Roger Flaherty

Staff Writer

Federal pressure on schools to reduce student loan defaults may be paying off, as fewer Illinois students are taking out loans to finance their education.

The decline is in the so-called Stafford Loan program, which enables students to take out loans at a government-subsidized 8 percent interest rate.

The number of loans dropped 15.8 percent in the state's public universities in the 1989-90 school year, although enrollment edged up eight-tenths of a percent. In the public community colleges, loans dropped 7.1 percent, although over-all enrollment grew 4.1 percent.

Among nonprofit private colleges, loans fell 0.9 percent.

The declines followed a June, 1989, U.S. Education Department directive applying sanctions to schools with high default rates. The sanctions ranged from expulsion from government student aid programs to partial suspension and periods of special monitoring.

All schools were put on notice to improve counseling of students about loan obligations.

"We've taken additional steps following the June 1989 regulations," said City Colleges comptroller Simon Visser. "We're giving [students] entrance and exit counseling, telling some students not to take out loans and showing them videos about loan obligations. As a result, more decide not to take out loans."

Taylor Cross, who directs the City Colleges default reduction program, said the counseling includes the video, written tests to determine the student's understanding about loans, academic counseling to steer students away from borrowing for courses leading to low-pay jobs, and advice on ways to relieve personal budgets to eliminate the need for a loan.

"The counseling helps them to stop and think," said Cross, who noted some students don't understand the difference between a loan and a grant.

At Truman College in Uptown, one of the eight Chicago City Colleges, loans dropped from 142 in the 1988-89 school year to 33 last year, although enrollment rose 16.6 percent. At Wright College on the Northwest Side, loans fell from 60 to 38, although 1989-90 enrollment was up 18.5 percent.

Loans dropped at six of the eight City Colleges, for a systemwide decline of 31.8 percent.

Student loans also dropped at the for-profit business and trade schools, but that continues a pattern of the last few years coinciding with sharp enrollment declines. The for-profit industry, heavily dependent on [illegible] from student loans, was blamed by federal education officials for much of the 1980s loan default increase.

The Chicago Sun-Times' 1988 Better Government series disclosed that some for-profit schools were contributing to defaults by enrolling students unable to complete programs and in numerous instances by failing to refund loans of students who dropped out of school within days of enrollment.

Robert Clement, a spokesman for the Illinois Student Assistance Commission, which acts as a guarantor of student loans, suggested students may be growing wary of assuming a post-graduation loan burden.

"I wonder if, with so much attention being given to loan default, there is increased awareness [illegible] of what it means to graduate with [illegible] debt," Clement said. "Maybe they are being more careful [illegible]."

[illegible] will [illegible] percent [illegible] Kennedy-King College, one of several City Colleges with high default rates. When data [illegible] the South Side school is expected to have default rates above 35 percent for the third consecutive year.

Under new Education Department rules, schools with default rates of 35 percent or higher for three consecutive years would be barred from offering federal student aid.

Visser, however, said the City Colleges will appeal any such ruling, citing an exclusion the government made for traditionally black colleges, giving them until 1993 to [illegible] under the guidelines. Kennedy-King has nearly 100 percent black enrollment.

Hotline planned for aid questions

The Illinois Student Assistance Commission, which oversees loan and grant programs for the state, and the Illinois Association of Student Financial Aid Administrators will operate a toll-free hotline to answer questions about college financial aid from Feb. 11 to 15. The number to call will be (800) 528-7918.

ISAC also is offering 17 brochures on planning and financing an undergraduate or graduate education. To obtain the brochures, write ISAC, Client Relations, 106 Wilmot Rd., Deerfield, Ill. 60015.

Students of

$20,000 holdup at Mundelein bank

A lone gunman escaped with more than $20,000 from the First Midwest Bank of Lake County in Mundelein Monday morning, police said.

The man, who carried a [illegible] weapon, wore a full beard, sunglasses, a blue jacket, jeans and a dark baseball cap, police said. He was described as 6 feet 2 inches tall and more than 200 pounds.

The robber pulled a semiautomatic handgun at about 10:20 a.m. at the bank, 1100 E. [illegible] to the north [illegible].

According to [illegible] of the Mundelein Police Department, the man threw [illegible] and took money from three tellers.

An FBI spokesman said the man fits the description of a thief who committed five bank robberies last year in the Chicago area.

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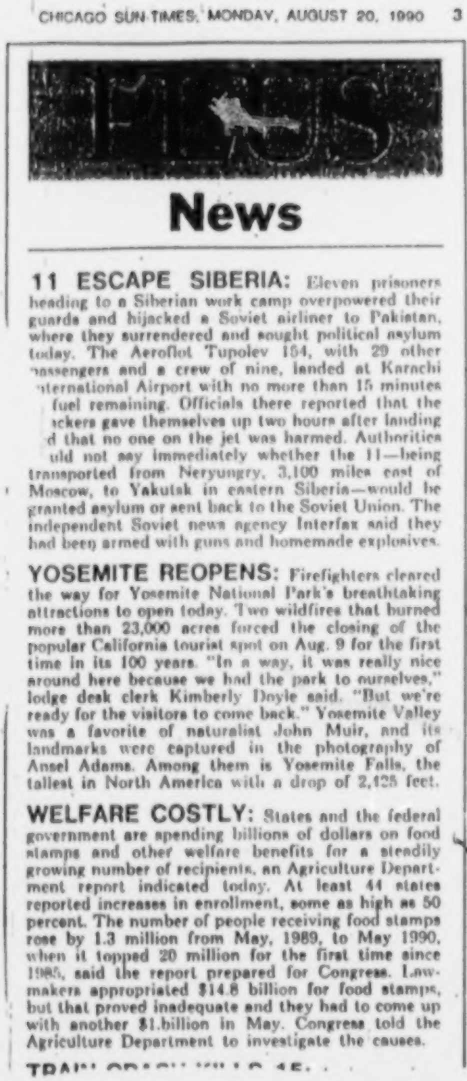
Exhibit 13



CHICAGO SUN-TIMES, MONDAY, AUGUST 20, 1990 3

PLUS

News

11 ESCAPE SIBERIA: Eleven prisoners heading to a Siberian work camp overpowered their guards and hijacked a Soviet airliner to Pakistan, where they surrendered and sought political asylum today. The Aeroflot Tupolev 154, with 29 other assengers and a crew of nine, landed at Karachi nternational Airport with no more than 15 minutes fuel remaining. Officials there reported that the ckers gave themselves up two hours after landing d that no one on the jet was harmed. Authorities uld not say immediately whether the 11—being transported from Neryungry, 3,100 miles east of Moscow, to Yakutsk in eastern Siberia—would be granted asylum or sent back to the Soviet Union. The independent Soviet news agency Interfax said they had been armed with guns and homemade explosives.

YOSEMITE REOPENS: Firefighters cleared the way for Yosemite National Park's breathtaking attractions to open today. Two wildfires that burned more than 23,000 acres forced the closing of the popular California tourist spot on Aug. 9 for the first time in its 100 years. "In a way, it was really nice around here because we had the park to ourselves," lodge desk clerk Kimberly Doyle said. "But we're ready for the visitors to come back." Yosemite Valley was a favorite of naturalist John Muir, and its landmarks were captured in the photography of Ansel Adams. Among them is Yosemite Falls, the tallest in North America with a drop of 2,425 feet.

WELFARE COSTLY: States and the federal government are spending billions of dollars on food stamps and other welfare benefits for a steadily growing number of recipients, an Agriculture Department report indicated today. At least 44 states reported increases in enrollment, some as high as 50 percent. The number of people receiving food stamps rose by 1.3 million from May, 1989, to May 1990, when it topped 20 million for the first time since 1985, said the report prepared for Congress. Lawmakers appropriated $14.8 billion for food stamps, but that proved inadequate and they had to come up with another $1.billion in May. Congress told the Agriculture Department to investigate the causes.

TRAIN CRASH KILLS 15:

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Chicago Tribune 12/19/90

Public aid tab worries states

By Stephen Franklin

linois' welfare rolls have own by 10.5 percent in the last year, mirroring a nationwide surge in the demand for public aid as the economy stumbles steadily downhill.

State officials in Illinois and across the U.S. say they are worrying about how to pay rising welfare bills when revenues are expected to decline and pressure to trim state spending is likely to increase.

"We already know there won't be sufficient funds for Medicaid for our providers," said Dean Schott, of the Illinois Department of Public Aid.

Kathy Patterson of the American Public Welfare Association in Washington, which represents the nation's welfare directors, said the caseload expansion clearly means financial problems for the states.

"We are extraordinarily concerned about the states as they try to deal with rising caseloads shrinking resources. It is tough and going to get tougher," Patterson said.

In Michigan, where state agencies are under orders to make a 9.2 percent cut in spending by Jan. 15, Charles Peller of the state's Department of Social Services said officials are hoping not to have to trim welfare grants.

A recent survey by the National Association of State Budget Officers showed that over half of the states are spending more than they expected on Medicaid and Aid to Families with Dependent Children, said officials from the organization in Washington.

Illinois had 114,414 more people receiving some form of public aid, other than food stamps, in October than a year ago, the first increase in the state's welfare rolls since 1985, state officials said.

A similar trend has hit nearby Midwestern states, most of which have resisted the worst effects of the economic slump.

The number of cases of families with children on welfare climbed by 18 percent in the last year in Indiana, according to state officials in Indianapolis.

The trend has even hit Wisconsin, which, according to a recent national survey by the Associated Press, had been the only state to elude welfare caseload increases in the last year. Wisconsin officials said there were 2 percent more cases of families with children on welfare in November than at the same time last year. It was the state's first increase after four years of steadily falling welfare caseloads, they said.

The nation's rising unemployment does not appear to be the sole reason for these increases.

Baffled by a one-year spurt of a million new recipients for the food stamp program as of last March, driving the U.S. total to over 20 million for the first time since 1985, the U.S. Department of Agriculture looked into the causes.

Besides rising unemployment,

See Welfare, pg. 6

Welfare

Continued from page 1

the federal study found that wider eligibility for Medicaid, greater efforts by states to reach eligible recipients, and the legalization of immigrants under the 1986 immigration reform law could have expanded the food stamp ranks.

Nonetheless, the study said, increased unemployment was "the key contributor" to the rise in food stamp use in the Northeast and north central states.

Welfare officials and experts traditionally view the food stamp program, which grew dramatically in the last recession in the early 1980s, as a good barometer of the nation's economy, and there have been marked increases in food stamp programs across the Midwest.

In Illinois, the number of food-stamp recipients has grown by 7 percent in the last year. In Michigan, there has been a 5 percent increase. And Missouri has shown 15 percent growth in its food-stamp cases in the last year.

Illinois also has seen a 20 percent increase in the number of people who receive only Medicaid coverage, said state Department of Public Aid officials, who suggested that this represents a growth in the ranks of the working poor.

Many of these are people whose jobs do not provide health insurance, or cannot afford it, said Schott. Some of these are people who have gone from higher-paying manufacturing to lower-paying service jobs, he added.

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From Page 1

Illinois welfare benefits

By type of program; in number of persons enrolled

Type of aid	Jan. 1990	Jan. 1991
All programs except food stamps	1,116,258	1,258,019
Food stamps	1,004,524	1,079,525
Aid to families with dependent children	639,136	670,949
General assistance (Chicago only)*	72,588	84,307
Aid to aged, blind and disabled	31,912	33,681
Aid to medically indigent	19,834	25,099
Medical aid without any other grant	331,361	420,633
Other programs	21,427	23,350

*Townships operate general assistance programs outside of Chicago

Source: Illinois Department of Public Aid

Chicago Tribune

Welfare rolls in Illinois largest since Depression

By Rob Karwath

Eleven percent of Illinoisans received some form of financial assistance from the state last month, and the number of welfare recipients was the largest since the Great Depression, officials said Wednesday.

The figures, included in a monthly report from the state Department of Public Aid, also show that the number of Illinois residents receiving welfare aid increased 12.7 percent in the last year.

The release of the report comes a week before Gov. Jim Edgar is expected to announce cutbacks in one of the state's major welfare programs, General Assistance, the only income-assistance program for poor, single people.

At a time when the nation is in a recession, with layoffs and hiring freezes in Illinois, advocates for the poor have reacted strongly to reports that the Edgar administration might reduce income or medical assistance as part of a strategy to deal with state government's fiscal problems.

The Department of Public Aid report seems certain to add to contentions that this would be a particularly inappropriate time to cut back on any form of assistance to needy people.

An effort to reduce General Assistance payments, which now are $165 per month for a Chicago resident, will face tough going in the Democratic-controlled state legislature, and the report will give opponents of any proposed cuts a

See Welfare, pg. 14

Chgo Tribune 2/28/91

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NATIONAL NEWS

Federal Budget Cuts Would Threaten Low-Income, Minority Students' Loans

4452-1

Deep cuts in federal student loan programs could deny low-income and minority students access to a higher education and eliminate some postsecondary education schools, according to the National Association of Trade and Technical Schools (NATTS) and the Association of Independent Colleges and Schools (AICS).

"What might be advertised as budget savings would actually be closing the doors of educational opportunity on many of America's least fortunate, especially low-income women and minorities," said NATTS President Stephen J. Blair.

Sharp cuts in student aid programs could also force schools that serve large numbers of students who depend on loans to close down completely.

The House Education and Labor and the Senate Labor and Human Resources Committees are currently working to cut $3.67 billion from programs under their jurisdiction, which includes federal student finance, and programs.

More than two [illegible]ion people attend the nation's nearly 4,000 private career schools. Seventy percent of the students are women and 40 percent are minorities. Most of these students are low-income (half had annual household incomes of less than $11,000 when they began their course work). Many of them do not want, or cannot afford, to pursue a traditional four-year college degree.

"We shouldn't apply unreasonable standards that further discourage already disheartened individuals from obtaining a leg up in the job market," said AICS Chairman Coleman Furr. "These loans help people get the training they need to compete in today's job market. Our mission should be to find ways to say yes, not clever regulatory excuses to say no."

"If the budget were in better shape, we would be giving these students grants to attend school," said Congressman Joseph M. Gaydos (D-PA). "Instead, we burden them with loans, and even then about three-quarters are responsibly paying back the cost of the training with interest. The student default rate is a small price to pay for giving millions of people the opportunity to be gainfully employed, support a family, and stay off the welfare rolls," he said.

"The truth is, I wouldn't have gotten my education without a student loan," said Sue Williams of Hampstead, Maryland. A graduate of Arundel Institute of Technology in Baltimore, Williams is now a self-employed architectural draftsperson. "If you take away loans for people like me, but save loans for wealthy students attending traditional four-year schools, it just wouldn't be right – it wouldn't be fair," she said.

"Without the SLS [Supplemental Loans for Students] program, I won't be able to continue my education and all my goals, hopes and dreams will be shattered," said Scott A. Fawell, who is studying computer robotics at ABC Technical & Trade School in Tucson, Arizona. "With the United States lagging so far behind in education, I would think Congress would be trying to provide more money for programs like this one."

"Without loan assistance, I wouldn't be able to have this opportunity," said Bill Elkins, a 43-year-old service veteran at the same school who is changing careers. "And I certainly intend to repay all my student loans."

Ironically, cuts are being discussed at a time when loan default rates are declining and default rates for private career school students have fallen faster than any other postsecondary sector. In addition, changes made in last year's budget reconciliation bill resulted in a one-year $550 million cut in Supplemental Loans for Students. Sixty-five percent of the cuts came from private career school students, according to the General Accounting Office.

"We all know that America's need for skilled labor is great and that we have a powerful, untapped resource in the men and women seeking training at our schools," said Blair. "Denying loans to those most in need is both a cruel and short-sighted policy."

"If America is going to remain competitive in the global economy of the future, the [illegible] thing we should do is [illegible] educational [illegible] for those people who are going to make up the skilled workforce of the 21st century," said Dr. Seymour Wolfbein, former Dean of Business at Temple University. "The Department of Labor reports that of the 30 fastest growing occupations in America, the vast majority will not require a bachelor of arts degree, but will require training after high school. In addition, the number of new people entering the workforce will decline over the next decade as the baby boom ends," Wolfbein noted. "Expanding education and training opportunities for minorities and women is not just an issue of social justice, it is an economic necessity."

NATTS and AICS collectively represent more than 2,200 private career schools and colleges.

* * *

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'Skills gap' sapping city work force, study warns

By Cindy Richards
Workplace Columnist

The city's work force won't meet the challenge of the next century unless the adult education system is better coordinated and forced to meet minimum performance standards.

Those findings were the highlights of a report released Tuesday by the Chicago Council on Urban Affairs, the Civic Committee of the Commercial Club and the Economic Development Commission of the city of Chicago.

"A serious skills gap exists within the Chicago work force among new entrants and current workers. This skills gap threatens the competitive position of our city and creates a tremendous uneasiness among us in the business community," said Ronald Gidwitz, chairman of the economic development commission and president of Helene Curtis.

Last year, Helene Curtis hired 140 production and maintenance workers at its North Avenue plant—a task that required officials to pore through more than 8,000 applications. Some applicants couldn't read and write well enough to complete the application.

The authors of the report say such experiences are common among Chicago employers. In Chicago, more than 1 million residents over age 16 have basic skills below the sixth-grade level, while most of the nearly half-million jobs to be created in Chicago this decade will require higher skill levels.

While the city has focused on reforming the elementary and secondary schools, the report said the city has done little to upgrade adult education—even though 75 percent of the people who will be in the work force in the year 2000 already are out of school.

The report calls for an umbrella organization to coordinate adult education efforts in the city and set minimum performance standards for the providers, including the City Colleges, the Mayor's Office of Employment and Training, proprietary schools and community-based non-profit providers. A second group would be needed to coordinate efforts throughout the state.

If those efforts succeed, "by the year 2000 we will have the most qualified work force in any city, without spending huge amounts of new money," said Ann Seng, president of the Chicago Council on Urban Affairs.

Orders to factories

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Mr. **Hayes**. All right, Ms. Parker?

STATEMENT OF JANICE PARKER, PRESIDENT, TAYLOR BUSINESS INSTITUTE, CHICAGO, ILLINOIS

Ms. **Parker**. Thank you, Congressman Hayes. Congressman Hayes and members of the committee, good morning.

Mr. **Hayes**. Good morning.

Ms. **Parker**. My name is Janice Parker, and Mr. Gibson is right that the title proprietary makes you ugly. And, I am the other ugly American sitting at this table. But, I am the president and director of Taylor Business Institute. I am proud and pleased that Congressman Hayes has invited me to attend this morning's hearing.

To understand my perspective, however, I feel it would be helpful to tell you a bit about my background and the Taylor Business Institute. Taylor Business Institute is a private career school located at 36 South State Street in Chicago. It has been educating and training students since 1964, and has historically served individuals from Congressman Hayes' district—in fact, I have brought three of them with me today, one of whom was to have served in the Persian Gulf, but received notice as the conflict ended.

Mainly, however, my students are African-American. They are from the south side of Chicago, and they are not bound for traditional colleges. Private career schools such as Taylor have been a viable educational alternative for students in America for more than 200 years. Our primary training focus, like most private career schools, is to provide hands on, no frills training in a relatively short time frame, that prepare a graduate for entrance into the work force.

Our shortest course is 1 year, and our longest is 2. As is with many private career schools, Taylor educates far more at risk students than traditional colleges. At Taylor, the minority percentage is 70 percent African-American, 24 percent Hispanic, with this population steadily increasing. We have 6 percent other.

Many Taylor students, like the national average for private career schools, began their coursework with incomes of less than $11,000. They have limited financial resources, and they are dependent, at some point, on public subsidy. Our student population has traditionally been heavily female. Many are single mothers and heads of households.

Most of our incoming students require not only training in the job skills, but also education in the basic skills, math, language and grammar construction. And, so, while our students are high school graduates, many do not possess the competencies of a high school graduate. Additionally, these students have a very low sense of self-worth. Many require counseling and convincing that they can be what they are striving to become in their lives. They require priming to believe that the dreams they possess can really come true.

Most private career school students are not trying to find themselves. These students have clearly set goals. They want skills to get jobs. When students begin at Taylor, most employers would probably characterize them as employment untouchables. Thank God that is not what employers say when they finish.

We typically place between 80 and 95 percent of our students who request placement. And, between 60 and 75 percent of all of our graduates. Our graduates are placed in major firms, and in key positions throughout the Chicagoland area. In many ways, we are like the child cleaning the wings of one bird covered with oil soaked seagulls who are unable to fly. When asked how he ever thought he could make a difference when there were so many to be cleaned, the boy finished his cleaning that singular bird, and lets it lift into flight. It made a difference to him, he replied.

That is undeniably our creed, because we believe that we can, and do, make a difference. Are we perfect? No. Is this industry without fault? Again, no. We are a human endeavor, providing education, and at times, we have been embarrassed by our own bad apples. The media's image of private career schools has been an ugly and difficult one to face. But, the good news is, we did face it, and as an industry, we have mustered the courage and bit the bullet. Our industry got tough with accreditation. We fought back in the courts, when schools challenged our quality standards for accreditation. Our industry got stronger, placing default reduction initiatives in more than 2,000 schools. Today, our schools religiously attend default reduction workshops. In all, some 433 schools were removed from our accreditation list in the last 3 years. We do support reforms and reform legislation that would curb any industry or student abuse.

And, today, Congressman Hayes, I am worried. No, Congressman, I am alarmed. My fear, sir, is that we are throwing the baby out with the bathwater. As the eve of reauthorization approaches, I see a dark cloud gathering over education, a sinister cloud aimed at a population I describe as the forgotten half—those 50 percent of high school graduates that do not head to college. And, this cloud is being filled by what I call the innocuous, insidious D word—default.

To suggest that the lies in educational opportunities of people can rise or fall on any one statistic is unconscionable. For lives that are as tenuous and fragile as those students that Taylor trains from your district, the implication of the single statistic can have a devastating effect. The default trigger, so aptly named, is a smoking gun that threatens to destroy or cripple many institutions that deal with the forgotten half, because the minority student epitomizes the classic loan defaulter. Schools do not default. Life conditions imposed on people and complex social problems cause defaults, not schools. To punish the school that reaches out to help only compounds the injury.

When the hysteria of emotional media is pushed aside, I see a Cortez Peters Business College and a Marion Career Training Center, like myself, black-owned private career schools that have served their communities since the 1930s. These schools were not fly by night, but they are gone now. They closed in 1990. Good schools, minority owners, minority students, gone. They could not survive the scrutiny, the oversight, the excessive administrative burden. They could not make their students low loan defaulters.

I think, again, Congressman Hayes, of International Telephone and Telegraph Corporation. The leaders of ITT say the best ideas they have are those that help people. And, they really meant it in

1964, when they bought Taylor Business Institute. In 1972, they hired me. They wanted to train minority students, and wanted to make them ready for work. For 13 years I worked for this company and ran this school. After 13 years, I budgeted extra counselors, extra equipment, extra teachers, and a remedial center. We did everything possible to support the needs of this special minority population.

But, in December of 1985, ITT, after several reduction strategies, left the urban market. It was becoming too difficult to train these special students. The climate was becoming too punitive. ITT moved its educational interest to Schaumburg, a northern, affluent suburb. They left this market, and broke a precedent. They sold Taylor Business Institute to me, an employee.

Now, with each passing day, I grow increasingly more concerned, more anxious and feel increasingly more alone. If my label is proprietary, and based on that title, banks may reject my students' loan. It is as though I should somehow feel ashamed of what I do, wear a bell or perhaps, a scarlet D. I am not just concerned for myself. The scarlet D word can touch any school serving this market, a Kennedy King, or the Community College of East St. Louis. In 2 years, it may even destroy our historically black colleges.

Congress must somehow realize that we are about more than just numbers. We are people working, not with the 20 percent of the U.S. population who receive baccalaureate degrees, but with the other side of the Nation's work force, African-Americans, Hispanics, and the unpopular poor. This is the underclass who will be so desperately needed in our Nation of workers in the year 2000.

Congressman, I sit on the Illinois Advisory Board to study preparation for the Illinois work force. I see the anguish of Illinois businessmen who are befuddled and confused. What, they ask, has gone so wrong? Illinois is now entertaining a Tech-prep program, which, in its latest draft, is aimed at attracting students who fall between the 25th and 75th percentile of secondary students. Who, I ask, handles one through 25? Illinois needs all of its people working.

Therefore, with respect to reauthorization, I ask, sir, that schools be allowed to admit mitigating circumstances, based on population served. When the Congress in its wisdom exempted historical black colleges, based on the population served, I applauded the move. But, then, should not it follow that the same caveat should apply to minority owned schools, or, for that matter, schools that train heavily minority populations?

Further, I propose the introduction of an incentive, tied, of course, to an accountability criteria. And, I applaud my sister traditional and private schools for having recognized that entrepreneurialship, bonuses and incentives can really make the difference, when you are trying to find a way to make the difference. And, especially, if you make the difference for those of us using private capital to train high risk students.

I ask that an entitlement, not a grant, predicated on a need based formula, be provided for needy students. I also ask that the true cost of education, to include public and private subsidies, be the barometer for this calculation. And, that the value of the loan be equal to this true cost.

And, finally, I ask that you, as a Member of Congress, consider the recommendations for Reauthorization of the Higher Education Act, submitted by the Association of Independent Colleges and Schools, AICS, and the National Association of Trade and Technical Schools, NATTS.

Congressman Hayes and members of the committee, I thank you for this invitation, and I appreciate your kind audience.

[The prepared statement of Janice Parker follows:]

Testimony before the

Subcommittee on Education Arts and Humanities
Committee on Labor and Human Resources

by

Janice Parker
President and Director of Taylor Business Institute

Chicago, Illinois

May 24, 1991

Congressman Hayes and members of the Committee, good morning. My name is Janice Parker and I am the president and director of the Taylor Business Institute. I am proud and pleased that Congressman Hayes has invited me to attend this morning's hearing.

Today, I hope to provide some meaningful input regarding the reauthorization of the Higher Education Act. To understand my perspective, however, I feel it would be helpful to tell you about my background and the Taylor Business Institute.

Taylor Business Institute is a private career school located at 36 South State Street in Chicago. It has been educating and training students since 1964 and has historically served individuals from Congressman Hayes' district -- mainly urban students from the south side of Chicago who are not bound for traditional colleges.

Private career schools, such as Taylor, have been a viable educational alternative for students in America for more than 200 years. In Illinois, 183 private postsecondary career schools provide education for 57,280 students annually. Taylor serves approximately 300 students each year.

Like most private career schools, we are designed to emphasize skill competencies in the shortest period of time. Our mission is clear: to provide the knowledge and skills necessary to ensure employment and a career.

Our primary training focus is hands-on teaching skills in a relatively short timeframe to prepare graduates for entrance into the workforce. Our shortest course is one year and our longest course is 2 years.

As is the case with most private career schools, Taylor educates far more at-risk students than traditional colleges. At Taylor, the minority percentage is 70 percent African-American, 24 percent Hispanic (with this population steadily increasing) and 6 percent other. Most of our student population is minority. Nationally, nearly 40 percent of private career school students are minorities.

Many Taylor students, like the national average for private career schools, begin their coursework with incomes of less than $11,000. They have limited financial resources, and many are dependent on some form of public subsidy.

Our student population has traditionally been heavily female; 70 percent of the students between 1987 and 1989 were women. Today, however, the population has shifted slightly; men comprise 40 percent and women comprise 60 percent. Most of the women in our school are clearly higher-risk students because they are often single mothers carrying those responsibilities.

Most of our incoming students require not only training in the hard skills such as competency development, but also, education in the basic skills: math, language, and grammar construction. This is the case eventhough we take only high school graduates.

Additionally, these students have a very low sense of self. They require education in the soft skills: the development of social etiquette and a work ethic. These students require counseling and convincing that they can achieve what they strive for in their lives. They require priming to believe that dreams can come true. Most private career school students are not trying to find themselves. These students have clearly set goals. My students seek the knowledge and skills needed to secure a good job, and Taylor Business Institute provides these skills along with a prescription of hope and belief.

When students begin at Taylor, most employers would probably characterize them as hard to place. Thank God, that is not what employers say when they finish.

In Illinois, more than 48,000 private career school students graduate annually. Taylor Business Institute's completion rate averages between 65% and 70%. We typically place between 80% and 95% of our students who request placement and between 60% and 75% of all graduates. Our graduates are placed in major firms and in key positions throughout the Chicagoland area.

In many ways, we are like the child cleaning the wings of one bird on a beach of oil soaked seagulls, unable to fly. When asked how he ever thought he could make a difference when he was the only one and there were so many to clean, the boy finishes cleaning that singular bird and lets it lift into flight: "It made a difference to him," he replied.

That is undeniably our creed. We believe we can make a difference. For many people, we are the training option of last resort. People who have tried other options in life and failed come to us. Oh yes we can and do make a difference.

Are we perfect? No. Is this industry without fault? Again, no. We are a human endeavor providing education and not unlike our traditional educational counterparts who scorched the headlines with scandals of Johnnie, "The Grid Iron Basketball Jock, Who Can't Read," or the mysterious reallocation of public funds for private interests, so, too, have we been embarrassed by our own "bad apples." The media's image of private career schools has been an ugly and difficult one to face, but the good news is we did face it. As an industry, we have mustered the courage and bit the bullet.

Our industry got tough with accreditation. (Thirteen of 100 private career schools reviewed lost their accreditation. Another 249 closed their doors.) We fought back in the courts when schools challenged our quality standards, imposed by accrediting agencies, spending more than one million dollars to do it. Our industry got stronger, placing default reduction initiatives in more than 2000 schools. School officials religiously attended default reduction workshops and have changed admissions criteria and recruitment practices. In all, some 433 schools were removed from our accreditation list in the last three years. We do support reforms and reform legislation that would curb -- in fact, crush -- any industry or student abuse.

But today, Congressman Hayes, I am worried. No, Congressman, I am alarmed. My fear, sir, is that we are throwing the baby out with the bath water. As the eve of reauthorization approaches, I see a dark cloud gathering over education, a sinister cloud aimed at a population I can only describe as the forgotten half--those 50% of high school graduates who don't head to college. A cloud being fueled by what I call the insidious D-Word--Default.

It does not surprise me that Americans look for simple solutions and quick fixes. We are a nation addicted to an electronic media capable of resolving most of life's problems in 30 or 60 minutes. Therefore, the creation and generation of the D-Word was inevitable. But I contend, sir, that it is the very essence of the simplicity of this concept that makes the situation so onerous.

To suggest that the lives and educational opportunities of people can rise or fall on any one statistic is unconscionable. For lives that are as tenuous and as fragile as those students that Taylor trains, people from your district, a single statistic can have a devastating effect. Budget controls must be there -- definitely, reform must be there -- absolutely. But simplistic knee-jerk responses that don't just cut to the bone but take the entire limb must not be permitted. The "default trigger," so aptly named, is a smoking gun that threatens to destroy or cripple many institutions that deal with the forgotten half, because the minority student epitomizes the classic loan defaulter. Schools do not default. Life conditions imposed on people and complex social problems cause defaults, not schools. To punish the school that reaches out to help only compounds the injury.

When the hysteria of emotional media is pushed aside, I see a Cortez Peters Business College and a Marion Career Training Center, both black-owned private career schools in Chicago, that have served their community since the 1930s. They served in a time when our students were considered separate, but equal. These schools were not fly-by-night, but they are gone now. They closed in 1990. Good schools, minority owners, minority students -- all gone. They could not survive the excessive administrative burden. They could not make their students low-loan defaulters.

I think again, Congressman Hayes, of International Telephone and Telegraph Corporation. The leaders of ITT say the best ideas they have are those that help people, and they really meant it. In 1964, they bought Taylor Business Institute, and in 1972, they hired me. They really wanted to make a difference. They wanted to train minority students and wanted to make them ready to work. For 13 years, I have worked for this company and run this school and for 13 years I budgeted extra counselors, extra equipment, extra teachers, and a remedial center. We subcontracted with Northeastern Illinois University for a special program to remediate functional written language and submitted a proposal for child care to train and support the needs of this special, minority population.

In December 1985, ITT, after several reduction strategies, left the urban market. It was becoming too difficult to train these special students. Government regulations were already fermenting and were promising to be punitive. ITT's stockholders wanted a better return on their investment, a yield that could be realized without so great an effort. ITT moved its educational interests to Schaumburg and broke a precedent -- they sold Taylor Business Institute to me, an employee.

Now with each passing day, I grow increasingly more concerned, more anxious and feel increasingly more alone. If my label is "proprietary," banks may reject me. "We don't give proprietary schools loans," they say. It is as though I should somehow feel ashamed of what I do, wear a bell or perhaps a scarlet D. I am not just concerned for myself. The Scarlet D word can touch any school serving this market: Kennedy King or the Community College of East Saint Louis. In two years, it may even destroy our historically Black colleges.

Congress must somehow realize that we are about more than just numbers. We are people working not with the 20% of the U.S. population who get baccalaureate degrees, but with the other side of the nation's workforce: African-Americans, Hispanics and the unpopular poor, who are desperately seeking a way into the system. This is the underclass who, according to the Hudson Institute Study, Workforce 2000, will be so desperately needed in our nation of workers.

Congressman, I sit on the Illinois Advisory Board to Study preparation for the Illinois Workforce. I see the anguish of Illinois businessmen who are befuddled and confused. Why, they ask, are we paying for programs to train our citizens who ostensibly have matriculated throughout Illinois educational system? What must be done? Illinois is now entertaining a Tech-prep Program which, in its latest draft, is aimed at attracting students who fall between the 25th and 75th percentile of secondary students. Who, I ask, handles one through 25? Illinois needs all of its people working.

Therefore, with respect to reauthorization, I ask, sir, that we be allowed to admit mitigating circumstances based on populations served. I ask that Congress consider the introduction of some incentive to those institutions who use private capital to train high-risk students. I ask that Congress consider the true cost for the education and training of a student, taking into account public and private subsidies. I ask that you consider a value equal to the cost of training be given in the form of an entitlement grant (not a loan) using an income formula for needy students.

And finally, I ask that you, as a Member of Congress, consider the recommendations for reauthorization of The Higher Education Act submitted by the Association of Independent Colleges and Schools (AICS) and the National Association of Trade and Technical Schools (NATTS). I will leave you with additional information that I hope will be of interest, including a report card on our industry.

Congressman Hayes, I thank you for this invitation and appreciate your kind audience.

Mr. **Hayes**. Thank you. To begin our comments and questions, I call on you, Congressman Payne.

Mr. **Payne**. Thank you very much. My first question will be to Mr. Hill. Knowing that there is a shortage of qualified science and math instructors in the school, do you think that industries like yours, high tech industries, Belcore and so forth, would consider a program that would release scientists, or mathematicians, perhaps, with a tax incentives, for that particular company to have sort of a sabbatical to teach at a high school, or at a series of high schools, or elementary schools.

The President talks about us getting to excellence in science and math, but there really is no preparation to, create the number of science and math teachers that we need. And, do you think that, since industry now is concerned about the work force 2000, and what we will be experiencing with a more competitive world market with the economic community coming together, we could begin one of these projects. How do you think that might sit?

Mr. **Hill**. Well, I think one of the things AT&T is doing right now, they are offering incentives to their scientists and technicians, and people in the high tech field to go into the school systems. The problem we have found, if those people are traditionally making $80,000 or $90,000 a year, what is the incentive to go into a school system where a school teacher has traditionally made $20,000 or $25,000 a year. You are not going to get too many people to leave a corporation to go into a school system, unless that corporation says, okay, I will pick up your benefits and your salary.

And, when they do that, and they work side by side with teachers with less resources and so forth, it has caused a little bit of a problem. Because, again, that person is there with different benefits, a whole different set of resources and everything else available to them. And, it becomes a competition factor, and it can cause a lot of dissention.

So, one of the things that the corporations have done is they partnered with schools. A doctor school like here in Chicago, and a corporation like AT&T will adopt a school and take all of its resources and throw it in there. However, the process is so long and drawn out, you find that the corporation seeks to sort of take over the school, and kind of push the other faculty out. And, I am not saying that is good or bad. However, they really want to get to the crux of the matter, well, taking those students and giving them the best of the best, and they do have the databases and everything, facilities available, so we can get over that issue of the teachers, the faculty that's already there, versus the corporate entity coming in, and the disparity in salaries. I think it would be an excellent program.

Mr. **Payne**. Thank you very much. I might ask the other two panelists if you would like to participate. There is no question, this whole question of trade schools, proprietary schools, alternative schools for post secondary is certainly an item that both of you have very clearly brought out. The unfortunate part, as we all know, is that it is easy to highlight the negative. We do that always. They did not write about my plane, although it was 2 hours late coming into Chicago, but it landed safely, so that was not a story, thank God, you know. If something happened, it certainly would have been a story. And, I just use that——

Mr. **Hayes**. Special election.

Mr. **Payne**. [continuing] yes, special election.

[Laughter.]

Mr. **Payne**. When things work out well, it does not reach the press. When there is a witch hunt going on, and there has been, as you know, in your industry, then that is what we read about. Certainly, not every policeman, is like those policemen you saw in Los Angeles, beating up that particular person at night. And, therefore, every policeman should now be viewed in that light.

And, so, I just frame my statement by saying that. But I do think that policemen need to come forth and sort of self-cleanse its industry. They need to say, we have got some bad policemen and there they are. And the system needs to take care of that. I think that, perhaps, the problem in your system was that abuses were going on, but there was almost silence, you know, almost a conspiracy. People were saying it is not up to me to point the finger at someone else.

So, I think that that is kind of the problem. The abuses have been brought out, my city, the City of Newark, New Jersey is similar to Mr. Hayes' district. I would not want to see students from Newark discriminated against at any kind of institution of higher learning, because kids from my district tend to be higher default candidates than others. And, therefore, I would not want all the proprietary schools just to sort of redline Newark, or move out of Newark, or go into another area, where they feel that they can beat the 30 percent default rate.

So, it is a very difficult question that we have here. There have certainly been some very abusive proprietary schools. And, they have been uncovered, and they had gotten all of the discussion around Congress, especially the bad schools. And, unfortunately, there is a bad image.

And, so, I just wonder what you might suggest that we can do to be advocates for our schools, to see how we can come up with a system of weeding out the bad, and having the good continue. Unfortunately, in many of the industries, we do not have such a high arena of placement.

Mr. **Gibson**. I rather expected those comments, Mr. Payne. And, thank you for your comments. There is no doubt about it, that our industry had not, and to this day, does not properly police itself. I will, however—I have to throw in a parenthetic. This is not necessarily the individual school. This system, that has been put down in what, supposedly, is a free society, has literally handcuffed, said take all of our card away, and all we do is serve master's. We have endless rules and regulations, the Department of Education. Endless rules and regulations at each State agency. Rules and regulations accredited by, which is where policing should be going on, and among the individual schools as well. And, each and every-one—take our case, medical technology. There is an endless array of institutions, organizations, what have you—the AMA Joint Committee on Respiratory Therapy, the American Medical Technology. Each of which claim oversight responsibility in our programs, and creates a whole long list of rules and regulations and obligations and so on, to keep in compliance, as it were. We are so constantly distracted by that, I, myself, personally, wonder sometimes if I'll ever get back to running the school.

I do agree with you. The industry, our industry, needs to become individually, school by school, and structurally more involved in policing itself. And, I think we need to strengthen the accrediting bodies to do that. Right now, the accrediting bodies are under hysterical attack by the Department of Education, just as the individual schools are.

A couple of other comments that I want to make. Back after the first panel concluded, you observed that often we feel we need to create a punitive action. May I suggest simply in the reauthorization that more punitive actions really are not necessary? You do not need to do anything to a school. Just do not do anything for them. It is sufficient. And, I think somebody on that panel pointed that out.

The Department of Education, it has been pointed out earlier, focusing on and limiting itself to the proprietary school sector, which it does, not having oversight responsibility for additional hiring, has, and you may not be aware of it, over the last 2 or 3 years, created a stack of punitive actions, each one designed to punish monetarily, and drive schools out of business. They, all taken together, have not quite achieved their objective of destroying all the schools they set out to destroy. Consequently, they would come out with a new arsenic.

And, that is what is going on now, the big witch hunt. And, the ability to benefit testing, a little game that is being played right now, since January 1, 1991. We have to go out and get honest people to administer tests, because you cannot expect to do it honestly within the school. Even the ability of some benefit tests, nationally normed, does not measure the student's capacity to gain and benefit by these educational programs.

Our school is now hosting its fourth investigator in the last 6 months, each one of which comes in, innocently, palms turned upward, eyes with an innocent expression, saying, your school has been routinely picked, by chance, for investigation. Give me a break. They are in collusion—it is a conspiracy. Each one goes over the same ground, each comes up with the same finding. Not one single finding in there, and they are extensive, believe me, has anyway constructed to suggest anything wrong in the school at all. Not one.

And, yet, for each, they have suggested a $300,000 penalty for this. We are going with the suburbs. We are going to get out of Chicago, simply to survive, and to continue our mission of delivering people to the health care industry. The health care industry in the Chicago metro area is going to wake up soon, now, very soon now, another year or two, and discover that there only reliable source of trained people is gone. Gone. The door shut. It is over.

Ms. **Parker**. I will not leave Chicago. I think that scientific physics principle that says, for every action, there is an equal and opposite reaction, I think, perhaps, we have come to feel that that is, perhaps, an understatement that is maybe an overreaction. And, maybe, to some extent, we as administrators, are overreacting. What we do want, though, I think, is to get our story known and to get people, such as yourselves, to come to our schools to see what we do, to really taste, to get the proof of the pudding, it is in the eating.

And, I think most of us would welcome those kinds of visitation. Have you speak with our students, witness firsthand how we do what we do, because what we are doing, very often, is where many of our public sector educational institutions are trying to become, we do deliver products that matriculate, through our programs, are trained and go into the work place. And, we have statistics that demonstrate that, and I think we are prepared to stand behind those, and to show those with pride, and to explain what we do with dignity.

The only thing I think we ask for is a level playing field. That we are being allowed to operate in an environment where we can operate, yes, with the challenge, but not with the crucifixion. We do, definitely, want to be held accountable. But, we want to be held accountable by the same standards and by the same regulations that everybody else is being held with. If Chicago State or if Kennedy King is training a student that summer, then I want us to be looked at in the very same light, so that we can all stand in the same kind of frame, and be judge accordingly. I think that is what we would like, Mr. Payne.

Mr. PAYNE. Well, thank you very much. I certainly concur with much of what you said. I hear law schools cited for the number of graduates who fail the bar. That is something that maybe we should go out and look at, because in many instances, a large percentage do not get through the bar the first time. But, I think, just basically, the heart of what you are saying is that there ought to be more grant programs rather than loan programs. The fact that we spend about $31 or $32 billion on education nationally, and $330 billion on defense, you know, is only 10 percent on what we spend on defense annually is really, as Mr. Hayes said earlier, when he mentioned the loan default for Egypt was $7 billion, and the S&L bailout.

But, the loan forgiveness is a one time thing. The S&L bailout is something that just came on us. But, when we continue to spend $300 billion year in and year out for defense, we spent $3 trillion in the last 10 years, where a B-1 bomber costs us $700 million a piece. We will go to $1 billion a piece with five people that sit in it. We have the best craft of the F-16, and we are going to scrap it. We are going to go into the F-22. For what reason, I do not know, but it is going to cost $40 billion to get research going into that.

And, when we just look at the amount of money that we are spending and wasting on systems—a Patriot missile has a cam or a computer, you can talk to it. You would be surprised, it is a smart bomb. There is no question about it. Put that in every school. Give them a computer, give them a camera, give them a two-way system. You will have smart students, not only smart bombs, but no one cares about that.

So, we just have our priorities wrong. We spent $1 billion a day during the height of the Persian Gulf. It is absolutely unbelievable and wrong. I do not even think we should have been over there in the first place, but that is another story. I just think we have to really look at our priorities, turn it around, and I do hope that a better image of your area can come out as the hearings continue in Washington and throughout the country.

Dr. GIBSON. May I just throw in one additional point?

Mr. PAYNE. Please be brief.

Dr. GIBSON. Sir?

Mr. PAYNE. Just please be brief.

Dr. GIBSON. If you are going to measure the merit of a school, and rid yourself of shoddy schools and retain and support and encourage the good ones, then measure the school by completion rates, by job placement rates, and things like that. Not this insane covert default rate.

Mr. HAYES. Congressman?

Mr. HILL. I just want to say one quick thing, and that is, what Mr. Thomas said, and what you said, Congressman Payne, corporations are finding no matter what ratio group that are coming to apply for jobs they are not prepared. They are not computer literate. They do not have good communication skills and so forth. And as a result, because of work force 2000, they are going abroad. General Motors to Mexico and every place. So, it is a massive problem that is occurring, and if we do not wake up like yesterday, then maybe even for Congressional jobs, you will have to go abroad to get people qualified to occupy those positions.

Mr. HAYES. Congressman Kildee?

Mr. KILDEE. I am not going to touch that one. I would like to add one thing to what Mr. Payne said about the smart bomb. We really borrowed, and borrowed, and borrowed and borrowed to fund the Pentagon. And, the Pentagon never had to have a bake sale to get its smart bombs, right? Well, for some reason we do not fund education. We say, go out and have a bake sale, and sell candy next to the cafeteria, so you can buy the band uniforms. We have never done that to the Pentagon.

You know, if they need it, fine. But, we should look upon education as urgent a need as the defense of this country. But, we have not done that. Mr. Hill, you mentioned that one possible solution would be to have business subsidize a teacher and a school, yet you see some problems with that, too, because it would be a different category of teachers.

It is interesting. I think we really underpay our teachers. If we were to take the average salaries of three groups: doctors, lawyers and teachers, all three very ancient professions, we would find the teachers way below, right? Why? We do not value teachers that much. They are valuable. You can determine their value system by how you compensate people, right? Education should attract and keep the very best. Our society has to make a decision on that, too. Doctors and lawyers, you know, will do better. I have young people coming to me and saying, I would like to be a teacher. I am not sure I can really raise my family on a teacher's salary. I can more likely raise it on a doctor's salary or a lawyer's salary.

Those three professions are very, very important. That is just my little preaching comment here today. But, you are showing some good thinking there, Mr. Hill.

Just one question of Dr. Gibson and Ms. Parker. And, this question is just that, it is a question. I am trying to seek information. What is a better way to identify those schools who allegedly defraud the government other than the default rate? I know you have mentioned several things, but if you could pull together some other way to identify those schools rather than just the default rate?

Dr. **Gibson**. Yes, sir. Completion rate. Job placement rate. Job persistence. See, the bottom line is, what is the product like? Are they employable? This is what the institution, our kind of school, offers. Is it deliverable? The only way to measure employability of graduates is one, the quantity of graduates, as a function of new enrollments. And, number two, how effective are the graduates in the job, once placed there. One way of measuring initially on that is job placement rate.

These are the things that, institutionally, we should be accountable for. And, it is very simply a comparison of the history across this country. That is it. Default rate is a function of the students. Incidentally, it is also a description of the Department of Education's bungling. There is no due process, no due diligence in the lending business afterwards. And, so, I think measuring completion rates, job placement rates, things like that.

Mr. **Kildee**. Ms. Parker?

Ms. **Parker**. Yes, I would add to that. And, again, it is perhaps the same caution that was mentioned earlier. Completion rates, we do have to look at. But, you must examine those in light of the population surge as well, because very often, there are support systems that, if they are absent, the student will not complete at the same rate as a school, or another student at another school, where they are not afflicted with the same kinds of circumstances. And, you do have to ameliorate that view somewhat.

However, I do not think there would be any reason why, if a student has completed your program, that we cannot look at placement rates, and measure those as a very true measurement of the product of the school.

I think recruitment practices have to be looked at in terms of how are students being notified or told or informed about the institution that they are going to? And, I think that is a very key indicator, often, of what kind of operation, and what type of institution it is. And, there is, and I have seen in many policies, regulations that are beginning to address those things, that I think are fair and equitable.

I also think that, you know, it would not hurt for there to be some sort of a profile of a school that, before they are admitted into the program, is examined. And, perhaps, a review of the school on its site, before that, if—by all three people in the triad—the State—the State does come by. But, States vary in their regulatory processes around the country. I think our regulators have to come to terms with some sort of standard initial kind of screening approach, to allow the school to participate in the programs.

I have all three levels for accreditation for licensing and for participation in Title IV programs, if that is going to continue as a function of the Department of Education.

Dr. **Gibson**. Mr. Kildee, I——

Mr. **Payne**. Just one final point. I think one part that is left out is also the student. You know, the government is frowning about losing its repayment. But, that student, then, gets on the list of bad credit. Cannot benefit from certain kinds of things that they should, and I think that that is being overlooked. And, I think that is something I think we need to also look at—what happens to that student who has that negative record.

Dr. **Gibson**. Mr. Kildee, let me add to your, to my answer to your question, one other thing. The accrediting bodies need support. Right now, they are only getting that from the membership monies from the institutions they, I think, term accredited and oversee. I think the government and DE should provide, on a per student, represented by the institution member basis, some other basic funding for the accrediting bodies, so they could increase their role of scrutiny, oversight, standardization, and so on and so forth.

One little truth in our case example of default rate. The Illinois State Scholarship Commission is a guaranteed body. The Department of Education gets its data from guaranteed agencies, to establish what is called an institutional covert default rate.

We place almost all of our loans through the ISAC, the Illinois guarantor. They recently came forward, picked 50 files of borrowers that they had on record in default. Forty percent of them, 20 of them, had never had a loan. Forty percent of them. Now, they had made application, but for one reason or another, elected not to go to school. The guarantor had them on their database as borrowers. Obviously, because they had not borrowed, they did not pay anything. They became listed on our back as defaulters. Individually, Mr. Payne, you are quite right. Those 40 percent are saddled with a default, they are disenfranchised from their Title IV rights in any other school they ever go to. And, we are saddled with a default rate by the Department of Education, 40 percent of defaulters had never borrowed in the first place. You know what this does to our institutional default rate.

Mr. **Payne**. Thank you, Mr. Chairman.

Mr. **Hayes**. I want to thank the panel.

I say to you, obviously, I have some questions I could raise, but if I feel it pressing enough, important enough to move us along, and help us to finance the bill that we are pushing on education, I will send them to you in writing, and I hope to get a response from you.

You have made the point, I think, very clearly, that proprietary schools are an endangered and dying breed or species, particularly in the minority and poor community. I know that is a fact, be it necessary, in order for them to get an opportunity to get an education, for people who categorically find themselves in this position.

I noticed in listening to some of your testimony there. I just want to caution you. As you push toward trying to help people find jobs, employment, be careful. Do n over into that area where you begin to establish goals and timetables. This is what we are fighting for now as we push for the enactment of a new civil rights act, which we say does not contain such a position. But, this leads in charge of reverse discrimination. I would stand up to that, because we have known depravity and been deprived long enough in this society of ours. If democracy means anything, it ought to work in this area. Thank you very much.

Next panel, Silas Purnell, Director, Educational Services at the Ada S. McKinley Community Services; Carol O. Carson-Warner, Director, Project FAME/Upward Bound, Chicago State University, Harold Dade, Student Body President, Chicago State University. If you would come forward and take seats, we would appreciate it.

Mr. **Kildee**. Mr. Chairman, if I could, I will have to be leaving soon to catch my plane back to Michigan. I would like to say that the panels that have spoken to us thus far, and I am sure that the other panels will do that too, really prove one of the axioms I have always had, that the wisdom does not lie in Washington, that it lies out here.

And with this particular panel, in case I am not able to hear you and I have to leave, I am very happy to see that you realize the students, Mr. Dade is here, really is what education is all about. I will not hear your testimony, Mr. Dade, but will certainly read it, because you are the customer of education. You are the one we are in business to serve. I appreciate your presence here today.

Mr. **Hayes**. So that my colleague, Congressman Payne, will not have to be shopping around for transportation, I will permit him to leave with Congressman Kildee, and I will sit here alone so he can go to the airport. Friday is an awful hard day to shop around for a flight at O'Hare.

Mr. **Payne**. Thank you very much.

Mr. **Hayes**. You have any final comments that you would like to make?

Mr. **Payne**. Only that I certainly also appreciate the opportunity to be here, and to hear the testimony. I think this has been very enlightening. And, I think that it is unfortunate that some of the people we hear in the field cannot be testifying in Washington. But, I think it will all become a matter of the record. I am certainly pleased to be here, and would like to commend Congressman Hayes for his outstanding contribution to education and labor. He is extremely well respected in Washington. He is Chairman of a subcommittee, Post Office and Civil Service Committee, and I felt it was an honor for him to ask me to come here to be with him. His reputation has preceded him long before he came to Congress.

I do not think there is a harder and more dedicated fighter for the rights of the underdog and the voiceless, and those people who are overlooked, than the very strong voice, strong in what he stands for, but also strong in his volume, of Congressman Hayes. Thank you very much.

Mr. **Hayes**. Thank you.

Mr. **Kildee**. Again, I can say that I am a better person because of Charles Hayes. He has really been a very important part of my formation. We are constantly in formation. He came onto the Committee of Education and Labor kind on a soul mate feel. We had some common background, some common beliefs, and we are both determined to make government protect human dignity. And, it has just been a real pleasure.

For those of you who have testified today, someone mentioned the record. The record is really very important. The record is printed up by the government printing office, and bound copies are kept in the Congress. Also, the Library of Congress. And, in case we do not have the wisdom to keep the peace, copies of that testimony which you will give here today are also kept about a mile below the mountains of Maryland, buried in vaults. So, historians 1,000 years from now will be able to read what your testimony was here today. Thank you very much. God bless you.

Mr. **Hayes**. I thank both of my good colleagues. And, I will see you back in DC.

[Applause.]

Mr. **Hayes**. Mr. Purnell?

STATEMENT OF SILAS PURNELL, DIRECTOR, EDUCATIONAL SERVICES DIVISION, ADA S. MCKINLEY COMMUNITY SERVICES, CHICAGO, ILLINOIS

Mr. **Purnell**. Congressman Hayes, I welcome the opportunity to testify before this Committee on Reauthorization of the Higher Education Act of 1965. However, having said that, I must admit that after listening to some of the comments, I thought I was in the wrong room.

I am the director of Ada S. McKinley Educational Services, which is a talent search program, funded by the Office of Education, to work with low income students. And, we get the problems of the various universities and colleges. And, last but not least, the proprietary schools. And, I was shocked at what I heard today. One of the things I hope that Congress will do in the Reauthorization of the Higher Education Act is take a close look at proprietary schools. Nine out of ten of our complaints has to do with proprietary schools.

Now, I do not have anything against any other individual here, but I have got to tell you just like it is. Working for some of those schools is like having a license to steal. There are some good ones, there are some bad ones. And, Congress is going to have to ferret out the bad ones, because if you come to my office and see the number of young people who have defaulted loans from proprietary schools, loans they did not even know they took out, then you will see what I am talking about.

We beat a steady path to the Attorney General's office and the States Attorney's office, trying to work through this difficulty. So, I think it is very important that Congress take a close look at that.

One of the biggest problems we have in addition to proprietary schools is the whole question of inadequate financial aid, and the problem of how financial aid is distributed. It has gotten to the point that the Higher Education Act is the temple of poor people. And, each year, it seems to be twisted a little further away from poor people. I think the thing now is for middle income students. They are fast becoming a priority.

And, if that is the case, I must ask the question, who speaks for the poor? I would easily see why middle income students are having problems, because the people that make the laws, the people that run the institution, the people that loan the money, the people that collect the money, are all middle income. Poor people do not have anybody at the table talking for them where they should be.

Eight years of the Reagan Administration, gift aid dropped 52 percent. I would like to see that restored on the Higher Education Act, during the reauthorization. Our kids are saddled with excessive loans. We have had students that have loans as high as $6,000 in 1 year, in an undergraduate school. And, we have had to take those students, pull a lot of those students, and put them somewhere else.

One of the problems we have is that you passed a law that was intended to make sure that low income kids could go to school. You provided grants, you provided work study, you provided loans. But, what you did not provide for them are the financial aid administrators who come in here and plead before you for more money. They are the very ones, in many instances, who are telling our kids, along with their housing directors, that they have to have a $200 or $300 deposit. Now, you tell me how a welfare mother is going to get a $200 or $300 housing deposit. It makes no sense at all. Many of the fees that they have make no sense.

The progressive schools, the schools that are really on the ball, who work with these students, they defer these fees, and take it out of their financial aid. Some of the others, we find that the kids do not go to school. They were accepted, they qualified for full financial aid, the Pell Grant, the Illinois State Grant, a Supplement Educational Opportunity Grant, work study and everything else. But, they did not have the housing deposit, so they were dropped out of the computer. That is what happens in this State. Having said that, I will go a little forward.

There is no reason why any State institution in the State of Illinois, which has one of the best grant programs in the Nation, should have to give low income kids, welfare students, and extremely low income kids, loans in their freshman year. There is no reason for it. Everybody is hollering about loan default. And, what you are doing, you are manufacturing loan default. By giving people loans in their freshman year, when you know that they are low income.

And, if you look at the statistics, which Mr. Nate Thomas cited, you look at college board statistics, you look at educational testing service statistics, you look at the American College Testing program statistics, you look at the California report. They all tell you, low income kids have the lowest scores. If you know that from the beginning, why is there not more money put up on the front end to deal with their deficiency.

Oh, we talk about the dropout rate. Nobody ever comes around and says who drops out. I can tell you who drops out. Low income, minority students are most likely to drop out. They are more likely than anybody else. People with money do not have to put up with this mess. They find a way of getting through. People who are poor have to deal with the satisfactory progress rule, they have to deal with the 70 percent requirement on summer earnings.

There is no way in the world you can tell me that the kid who lives in Cabrini Green or Stateway Gardens, parents on welfare, and who is lucky enough to get a summer job, can save 70 percent of that money to put on his bill when he comes back. A mother sitting there on welfare with three, four, five, six, seven, eight brothers and sisters, and he is going to collect his check and go to the bank, and put 70 percent of it aside. I would like to know how many people in this room can save 70 percent of what they earn. It makes no sense at all. That rule needs to be modified. It needs to be cut, if not cut out entirely.

Many schools expect the kids to show up with summer earnings from $700 to $900. I can tell you what the bulk of inner city kids are going to do this summer. They are going to play basketball or something else, because they are not going to be able to find jobs. Our colleges students are coming back to our office now, trying to get us to help them find jobs. Now, they are in college, and they cannot find a job. And, I might add, we run the largest college placement center in the Nation. We place more kids than anybody else in this country. And, these are the problems that we are running into.

Another move, from middle income students, is home equity. And, you want to eliminate the home equity. Having sit on a review committee of the Illinois State Scholarship Committee, the Selection Committee of the Pullman Foundation for a number of years, I think that would be a disservice to poor students. Some of these folks got houses that cost $200,000 and $300,000. Some of them are farmers, and they own do not know how much, and they are showing little cash income from cash profit. And, they are getting the same thing the welfare student is getting. Something is wrong with that. Something is wrong with it.

I think home equity ought to show. If you have a house that costs about $100,000, or if you have a house that costs $30,000—and now it is worth $100,000 and you are not willing to borrow against it to help your child, maybe your child should go to the local junior college. I have a problem with it.

The whole thing about private versus public financial aid policy. It is becoming more difficult for the private college to give our young college student a good financial aid package without a lot of loans. I think Congress needs to look at that, and see that this private colleges get some more money. I do not think the answer is for all of our kids to go to public colleges. Because, many of the private colleges do an excellent job with our students.

No one has said anything yet about merit scholarships. Some of the same colleges are telling you that they do not have enough financial aid to deal with poor kids, some are using their private money to buy well to do kids. And, they will give them a merit scholarship, regardless of family income. And, I think Congress needs to take a close look at that.

If a school has got enough money to give to a student who does not need money, then maybe Congress does not have enough money to give to that school. They need to take back some of the money they are giving to them. There need to be more emphasis on allocating money to the poor and to the needy. You need to look at some of these colleges and universities that get millions of dollars in research money, and have little or no black students on campus whatsoever. They do nothing for them. They do not help them get in, do not help them stay in, and they quickly keep them out.

Oh, but yet and still, they get research money, and they can hire who they want on that research money. And, Congress does nothing about it.

I say to you that things are not going to get better until Congress begins to take a closer look at what is happening out here with their money. You see, because the financial aid policies are really horrible. Many institutions, we call it financial aid sometime, but, well, this is our policy. We have our computer set up a certain way, and the student has to do that. That is not what the law says. You appropriated that money for poor students to get it. And, it had nothing to do with institutional convenience. It has to do with student need. And, the money should match the need.

In conclusion, I will say to you that I have grave misgivings about a lot of the things that are going on. And, if you want to cut, for instance, the drop out rate, if you want to cut the drop out rate in college, nobody is poking into it about the drop out rate in State institutions in this State. Ms. Fitzpatrick was generous. She said 10 percent of—some colleges do not have 10 percent of the students graduate. Some of the colleges only have 5.2 percent of the students, black students, graduate here in the State of Illinois, even in the City of Chicago, and 23 percent of their white students, in 7 years. But, yet and still, they get millions of dollars year after year after year after year.

I am not at all sure that the easiest way of allocating money is the success rate. If you look at who they are successful with, I will buy that. If you do not, what they are going to do, they are going cream students like they used to do, only take those, and leave off the rest. However, one of the worst things that is going on out here, we have institutions recruiting kids that they know they cannot graduate. They are either unaware of their institutional capability, or they do not care about their institutional capability. You must bear in mind that if the admissions office does not recruit any students, they will get a new admissions director. So, it is easy for them to go out there and try to build it up. But, when it comes to telling them what the graduation rate is, they are not too quick to tell them that. That concludes my section.

Mr. **Hayes**. Ms. Warner?

STATEMENT OF CAROL O. CARSON-WARNER, DIRECTOR, PROJECT FAME/UPWARD BOUND, CHICAGO STATE UNIVERSITY, PRESIDENT, ILLINOIS ASSOCIATION OF EDUCATIONAL OPPORTUNITIES PROGRAM PERSONNEL

Ms. **Carson-Warner**. Good morning. Thank you for this opportunity to present testimony on the proposed block grants of the Bush Administration and the Upward Bound program portion of the Special Programs for Students from Disadvantaged Backgrounds.

My name is Carol Carson-Warner, and for the past 9 years, I have served in the Upward Bound program and student support services programs. Further, I currently serve as president of the Illinois Association of Education Opportunity Program Personnel.

I come to this field hearing on reauthorization as an advocate for TRIO programs. An advocate, because I believe in the work of TRIO programs, and what it has done for low income and potential first generation students for the past 26 years. These programs are much more than a remnant of the war on poverty, and the civil rights movement. These programs are representative of the ongoing struggle to break the cycle of poverty for the disadvantaged. I usually call the so-called disadvantaged.

But, now, the Bush Administration plans to consolidate three of its programs, or three of the program components into what is being referred to as a pre-college outreach program, a move that would shift the direct funding of these programs to the State.

In my opinion, this notion is appalling, and I am going to read a list, or give you a list of reasons that are being echoed by my colleagues around the country. The programs work as intended by the original legislation that brought the programs into being, and as amended, that created the entire family of TRIO programs, so why tamper with them.

My second reason here is, over the past 26 years, these programs have developed or established three networks, very viable networks to what it is that we do. The first being a network of institutions that support the purpose of TRIO programs. Secondly, a network of individuals who actively do the work, to ensure that TRIO students are properly served, and to ensure the survival of TRIO programs.

And, third, and very most importantly, there is a network of students served by programs that have succeeded to break through the cycle of poverty, to serve as role models for those to follow. Frankly, the State government knows nothing about administering TRIO programs. The turmoil in making such a transition could seriously deter the advancement of the programs.

And, can TRIO personnel depend on the States to allocate monies in a fair and equitable manner.

The second part of the charge to me was to speak specifically about Upward Bound. I have done that, and I will talk specifically about Upward Bound. But, in reading my testimony, I want you to also pay attention to the recommendations related to student support services, the grant cycle, which I will just let you know that I think should be extended to 5 years. And, the accreditation of TRIO programs and staff training and development for TRIO personnel.

Upward Bound—program design and services. The first recommendation is that each Upward Bound program be mandated to include a comprehensive and intensive summer residential component of a minimum of 6 weeks, and similarly, comprehensive and intensive academic year component of a minimum of 24 weeks. The Upward Bound program design varies among programs across the country. They range from 8 week commuter summer sessions, to 5 week residential summer components.

Although each of the designs have merit, the most common design is the standard 6 week residential component. While most study has definitely determined that the residential component is not heartily superior to a commuter session, most Upward Bound directors express a decided preference for a residential component of at least 6 weeks. The residential aspect of the programs provide students a full introduction to life in college. The 6 week period provides a minimum amount of time for a comprehensive combination of classes, tutorial seminars, workshops and field trips.

The commuter program, on the other hand, faces an ongoing struggle between the program's goals and the influence of the student's home and community environment. And, I think, Mr. Hayes, you know what that means in the City of Chicago. Simple things, such as ability to control when students study, the limitations of interruptions by friends, and the exclusion of television all are diversions the commuter program are unable to address. The advantage of a residential program enables the Upward Bound staff to have an initial and a reinforcing impact upon students that is unsurpassed.

The weekly academic year sessions are vital to students' continuing development, to the students' continuing development. The weekly context filled with academic skills, classes, tutorials, counselings, cultural enrichment activities, as well as college visits, provide the continuum of expectations initiated during the summer. From a social standpoint, it gives students something to belong to. That something being a positive educational program that affords them an opportunity to become the best that they can be.

And, again, as another commentary, in the City of Chicago, the gangs is a major what I can belong to, for high school students, even a middle school student.

The mandating of the 6 week summer component, and a 24 week academic year component, together with the provisions of suitable funding, will contribute significantly to the overall quality and impact of the Upward Bound programs.

Recommendation number two, Upward Bound should be required to provide instruction and tutorial support for mathematics through calculus, physical science with laboratory, reading, writing, and computer sciences, during both the summer and the academic year sessions. Students are selected to participate in the program to assist them in preparing for admissions to, and succeed at postsecondary education.

And, I am going to move onto my third recommendation, because I think it is vital that you understand this part of it. The parents of the Upward Bound students should be eligible to receive specific services, as an allowable program expense. The critical roles that parents play in the education of their children is well established. What is equally well established in Upward Bound students is parents' lack of education, meaning that they do not have a college degree, and no experience, for the most part, with what is called higher education. And, their lack of familiarity, again, with higher education. A sincere and consistent effort must be waged to provide for the development of parents, such that they can play a more definite and supportive role for the student and their program.

Upward Bound programs should be able to provide students with self-enrichment programs, from parenting skills to educational and career options, instruction and workshops designed to enhance their ability to support students' participation in Upward Bound. Parents should be actively recruited to create and serve on parent counsels, serve as chaperons on college visits and field trips, with the expense paid as for staff. And, even serve as residential component supervisors.

This year, Mr. Hayes, we had three parents, with their graduating seniors, make application to Chicago State, been accepted, and will receive full financial aid. Thank you.

[The prepared statement of Carol O. Carson-Warner follows:]

Reauthorization of Title IV of Higher Education Act

Testimony of

CAROL O. CARSON-WARNER

Director, Project FAME/Upward Bound,
Chicago State University

President, Illinois Association of
Educational Opportunities Program Personnel

before the U.S. House of Representatives' Education and Labo
Subcommittee on Postsecondary Education Field Hearing.

May 24, 1991

Honorable Representatives, Distinguished Colleagues:

Thank you for this opportunity to present testimony on the proposed "block grants" of the Bush Administration and the Upward Bound program portion of Special Programs for Students from Disadvantaged Backgrounds.

My name is Carol Carson-Warner and for the past nine years I have served as Assistant Director of Upward Bound, Director of Student Support Services, and I am currently the Director of Upward Bound at Chicago State University. Further, I currently serve as President of the Illinois Association of Educational Opportunity Program Personnel (the State association representing TRIO personnel).

I come to this Field Hearing on the Reauthorization of Higher Education Act of 1965, as Amended, as an advocate for TRIO programs. An advocate, because I believe in what TRIO has done for low income and potential first-generation students, for the past twenty-six years. These programs are much more than a remnant of the "War on Poverty" and the "Civil Rights Movement." These programs are representative of the on-going struggle to break the cycle of poverty for the so-called "disadvantaged."

And now the Bush Administration plans to consolidate three components of the TRIO programs into what is being referred to as the "pre-college outreach programs," a move that would shift direct funding of the program to the states.

This notion is appalling! The reasons listed below are echoed by my colleagues around the nation.

1. The programs work as intended by the original legislation that brought TRIO programs into being and the amendments that create the entire family of TRIO program. So, why tamper with them?

2. Over the past twenty-six years, these programs have established a network of institutions that support their purpose. Most of all, a national network of individuals who are active in the work to ensure that TRIO student are properly served and to ensure the survival of the programs.

3. Too, there is a network of students served by the program and that have succeeded to break through the cycle of poverty to serve as role models for those to follow.

4. Frankly, the state government knows nothing about administering TRIO programs. The turmoil in making such a transition could seriously deter the advancement of the programs.

5. And can TRIO personnel depend on the states to allocate monies in a fair and equitable manner?

The following is specific to Upward Bound, in addition there are recommendations related to Student Support Services, the Grant Cycle, Accreditation of TRIO Programs and Staff Training and Development.

1. Upward Bound - Program Design and Services

f.1 **Recommendations**: Each Upward Bound program should be mandated to include a comprehensive and intensive summer residential component of a minimum of 6 weeks and a similarly comprehensive and intensive academic year component of a minimum of 24 weeks. The Upward Bound program design varies amongst programs across the country. They range from an 8-week commuter summer session to a 5-week residential summer component. Although each of the designs has merit, the most common design is the "standard" 6-week residential summer component. While no study has definitively determined that a residential component is inherently superior to a commuter session, most Upward Bound directors express a decided preference for a residential component of at least 6 weeks. The residential aspect of the program provides students a full introduction to life in college. The 6-week period provides the minimum amount of time for a comprehensive combination of classes, seminars, workshops and field trips. The commuter program, on the other hand, faces an ongoing struggle between the program's goals and the influence of the student's home and community environment. Simple things such as the ability to control when (or even if) students study; the limitation of interruptions by students' friends; and the exclusion of television -- all are diversions the commuter program is unable to address well. The advantages of a residential program enable the Upward Bound staff to have an initial and reinforcing impact upon students that is unsurpassed.

The weekly academic year sessions are vital to the students' continuing development. The weekly contacts filled with academic skills classes, tutorials, counseling, cultural enrichment activities, as well as college visits, provides the continuum of expectation initiated during the summer. From a social standpoint, it gives students something to belong to: that "something" being a positive educational program that affords them an opportunity to become the best they can be.

The mandating of a 6-week summer component and a 24-week academic year component, together with the provision of suitable funding, will contribute significantly to the overall quality and impact of the Upward Bound experience.

> 1.2 Recommendation: Upward Bound should be required to provide instruction and tutorial support for mathematics (through calculus), physical sciences (laboratory) reading, writing, and computer sciences (at least word processing) during both the summer and academic year components.

Students are selected to participate in the program to assist them in preparing for admission to and success in post-secondary education. So many of the students' elementary and secondary education has not fully enabled them to take maximum advantage of their potential. In the main, students are not receiving either the selection of courses or the quality of instruction that will ensure their ability to prepare for college. It is critical that Upward Bound programs fill the void here.

Exposure to and support in the acquisition of college preparatory skills are essential Upward Bound services. Given students' need for strong skills in reading, writing, mathematics, physical sciences and computer sciences, it is critical that Upward Bound programs be required to provide such services nationally.

> 1.3 Recommendation: The parents of Upward Bound students should be eligible to receive specific program services as an allowable program expense. The critical role that parents play in the education of their children is well established. What is equally well established is the Upward Bound students' parents' lack of education and their lack of familiarity with higher education. A sincere and consistent effort must be waged to provide for the development of the parents such that they can play a more definitive and supportive role for the program and their children.

Upward Bound programs should be able to provide parents with self-enrichment seminars (from parenting skills to educational and career options), instruction, and workshops designed to enhance their ability to support student participation in Upward Bound. Parents should be actively recruited to create and serve on parent councils, serve as chaperons on college visits and field trips (with expenses paid as for staff), and even serve as residential component supervisors.

2. Early Intervention Program (EIP)

Recommendation: A new initiative be established to serve students in Grades 6 - 8 (ages 11 - 14) in a program design similar to Upward Bound. The EIP will assist students in making the transition to high school; to let students know that college is an alternative for them; to instill the motivation and work habits needed for academic success; and to involve parents in the supportive process. Grades 6 - 8 are not too early for intervention because this is the time critical development of future career and education plans begin.

3. Student Support Services

3.1 Recommendation: The language in the assurance regarding full financial assistance should be changed to read: "required an assurance . . . that each student in the project will be offered sufficient financial assistance to meet that student's full financial need."

Post-secondary students from low-income backgrounds are likely to need substantial financial assistance. These high risk students are less likely to persist through graduation. Therefore, first- and second-year disadvantaged students should have a minimal percentage of their full need met with loans.

3.2 Recommendation: To require that learning disabled students also be first generation and/or low income to meet the eligibility requirement for services in the Student Support Services.

The major purpose of TRIO is to provide the remedial (developmental) and support services that low income, first generation students need to enter and succeed in college. This effort is undetermined in the SSS program.

SSS is mandated to serve handicapped students as well as low-income, first generation students. Among these are students with learning disabilities who, under current law, are eligible for the program even if they are not low income or first generation in college. The problem is posed because the services required by learning disabled students are quite different, and not easily mixed with services needed by low income, first generation students. The low income, first generation TRIO population typically requires the services set forth in the current legislation: remediation, counseling, study skills, etc. However, the learning disabled student who has reached college is not typically underprepared for college. What the learning disabled student needs is expert, individual help tailored to the student's specific disability, in mastering techniques that will enable him or her to process the information presented in the college classroom.

Clearly, SSS programs attempting to serve two such different populations requiring such different services have a hard time focusing on their special mission of assisting the low-income, first generation college student.

4. Grant Cycle

Recommendation: Language should be included in the TRIO subpart to mandate a five-year grant cycle. Currently, TRIO grants are renewable every three years, and participating institutions must submit to the cumbersome, uncertain re-application process. There are at least three problems with this.

First, experience has shown that three years is often insufficient to attain program stability or develop cooperative relationships with other units of the institution or agency, and the community. Second, the perception of instability can act as a serious disincentive to employing and retaining good staff. Finally, it does not make sense for a program working with high school and college students to be unable to follow even one contingent of students through one complete academic cycle in the course of the grant period.

Other federal agencies making grants to colleges, including the National Institutes of Health, and the National Science Foundation, have grant cycles longer than three years (the average length of NIH grants is four years, while some last as long as seven years).

5. Accreditation for TRIO Programs

Recommendation: To establish an accreditation system whereby institutions, agencies and other grant recipients must subscribe to ensure that their funded TRIO programs meet certain criteria for performance and operation. The criteria established should ensure standards for excellence in much the same manner as colleges are accredited. All funded entities would prepare for and submit to accreditation consideration prior to the end of their first five-year funding cycle. Those which fail to achieve accreditation must submit for refunding through the open competition channels in much the same way as it is done now. Those which succeed need only submit annual continuation applications, annual performance reports, and file compliance or accreditation reports every two years. Program funding approval would thus be for five years and notification of funding should be accomplished at least one year in advance to allow for appropriate planning.

The accreditation process would serve to augment existing federal monitoring or could conceivably replace certain aspects of the current practices by providing more in-depth program reviews.

Integral to the accreditation process would be the establishment of a means to identify, validate and disseminate those exemplary practices found in TRIO programs. Just as teams review colleges and departments, such accreditation teams could review TRIO programs. There is no such provision for this in current legislation or the practices of the USDOE Division of Student Services. This would be an invaluable addition to the field, lending increased credence to it as an identifiable and fully recognized profession. It would likewise add considerably to the body of knowledge to be made available to TRIO personnel, perhaps even so far as to lead to the compilation of written guides and manuals.

6. Staff Training and Development

Recommendation: That the USDOE be mandated to include among the training offered to TRIO staff, training for new directors, training in financial assistance, training on TRIO legislative and regulatory requirements, and training in exemplary TRIO program design and operation. In addition, if appropriate, training for program accreditation. (See item 5 above.)

The field of educational opportunities is still developing. Few colleges and universities offer formal programs of study to prepare TRIO personnel. Professionals in TRIO should be properly prepared and credentialed. Funds are needed to ensure staff development in the areas mentioned above, ensure attendance at approved training workshops, and the availability of training and related manuals for dissemination to projects.

Respectfully submitted,

Carol O. Carson-Warner

Mr. Hayes. Thank you. Mr. Dade? I understand you are student body president, right?

Mr. Dade. Newly elected, yes, I am.

Mr. Hayes. All right.

Mr. Dade. Finally, a student. I was wondering, were any students going to get to speak at such a prestigious occasion.

STATEMENT OF HAROLD DADE, STUDENT BODY PRESIDENT, CHICAGO STATE UNIVERSITY, CHICAGO, ILLINOIS

Mr. Dade. I would first like to thank Congressman Hayes and the subcommittee for this opportunity to speak on the Reauthorization of Higher Education Act. My name is Harold Dade, and I am a Chicago State student. I am also the newly elected president of the Student Government Association, which represents over 7000 students enrolled here at CSU.

I have come here today to discuss some crucial issues regarding Federal financial aid. First, in my personal experience with financial aid programs, I have encountered a number of problems. My postsecondary education began at the University of Illinois at Champaign-Urbana. While I was lucky enough to receive Pell Grant and ISSC, they were not enough to cover the cost of my attendance. The financial aid office at U of I suggested I take on a student loan, and they told me of no other alternatives. In fact, the office told me I could get $2,500 within 3 weeks.

So, as a freshman, as a freshman, I made my first financial decision, and took out a Guaranteed Student Loan, without any counseling on my rights and responsibilities, and the tremendous impact a student loan could have on my future. After my sophomore year, I was forced to withdraw from the university because of personal reasons. I stayed out of school for a year, during which I worked. I wasn't given any counseling about the possibility of being considered a student loan defaulter, because of this 1 year I was not in school. I did not know about the grace period, the possibility of deferments, and what default actually meant.

I did not even know that I was considered a defaulter until I returned to the university and applied for aid, and was turned down. So, from there, I had to fund my own education, using the money I had saved during my absence from school. I paid my own tuition and living expenses for the following year. However, neither my savings, work income or family could cover the cost of the year after, so, again, I returned home.

These economics forced me into attending a considerably less expensive school, Chicago State University, and to live at home. I still am not eligible for Federal assistance, so I have been forced to work up to 70 hours a week to pay for college. Unfortunately, there is no repayment plan once you go into default on a loan. I must pay the entire loan back at one time. It is something that, right now, I cannot afford.

Second, I would like to overview the financial aid dilemma here at Chicago State University. Eighty percent of Chicago State's students receive Federal and/or State aid. This dependency rides on the fact that we are minorities, with a lower income bracket. Most of us are the first in our families to attend college. Seventy-five percent of the students are women. Many are single parent mothers. The average age of the Chicago State student is 33.

I note these statistics not to arouse a feeling of sympathy, but to show you the barriers we face in pursuing our academia full time. With these other variables, the Federal financial aid programs must fulfill their responsibility to all people pursuing a postsecondary education. Financial aid programs need to be maintained and strengthened to relieve the economic pressures, so that successful academic life will be available to all of us.

Hence, there are a number of serious issues that we urge Congress to consider during this reauthorization. For example, over 40 percent of CSU students attend school part time. For many, current ineligibility of less than half time students for Pell Grants and Stafford loans means that staying in school is a constant financial battle.

Also, 53 percent of CSU students attend school during the evening, yet the financial aid office is not open at night. It should not be surprising to us, then, when students like me are not aware of the financial options and the seriousness of taking out a loan.

So, I urge you to, one, fund programs to meet the needs of the non-traditionally aged student, such as the Title I programs that have not received any funding since 1986. Two, to extend eligibility for Pell Grant and Stafford loans to less than half-time students. Three, to mandate schools with significant numbers of evening students to have financial aid counseling available during evening hours. Four, to restore the balance between loans and grants, so that low income students will not have to resort to taking out loans that, coupled with lack of information, could have devastating economic consequences for them.

And, in conclusion, the Federal financial aid dilemma means a lack of counseling, a lack of opportunities for monies besides loans, a lack of accurate information, a lack of college work study jobs, and a lack of true options for many minority students. When you add all this together, you get people who would never be able to attend law school. What about graduate school? And, you have students who must choose the most affordable college, rather than the college of their choice. Yet, worst of all, you have intelligent people aspiring to go to college, who will never see the opportunity to develop their minds in a postsecondary institution.

I ask the question, can America really afford not to tap the valuable resources of minority minds? Clearly, it must invest in all her people, and Federal financial aid is one of the most pressing investments she must make. Thank you for this opportunity to testify today. I look forward to working with you and the United States Student Association on the Reauthorization of the Higher Education Act, so education will be a right for all. Thank you.

[The prepared statement of Harold Dade follows:]

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TESTIMONY OF

HAROLD DADE
President, Student Government Association
Chicago State University
Chicago, IL

ON
REAUTHORIZATION OF THE HIGHER EDUCATION ACT

May 24, 1991
Field Hearing
House Subcommittee on Postsecondary Education
Hosted by the Honorable Charles A. Hayes

I would first like to thank Congressman Hayes and the subcommittee for this opportunity to speak on the Reauthorization of the Higher Education Act. My name is Harold Dade, and I am a student at Chicago State University (CSU). I am also the president of the Student Government Association, which represents the over 6,000 students enrolled at CSU. I have come here today to discuss some crucial issues regarding federal financial aid.

First, in my personal experience with financial aid programs, I have encountered a number of problems. My post-secondary education began at the University of Illinois at Urbana-Champaign. While I was lucky enough to receive a Pell Grant and ISSC, they were NOT enough to cover my costs of attendance. The financial aid office at U. of I. suggested that I take out a student loan; they told me of no other alternatives. In fact, the office told me that I could get a $2,500 loan within three weeks. So, as a freshman, I made my first financial decision and took out a Guaranteed Student (Stafford) Loan without any counseling on my rights and responsibilities, and the tremendous impact a student loan could have on my future.

After my sophomore year, I was forced to withdraw from the University because of personal reasons. I stayed out of school for a year, during which I worked. I was not given any counseling about the possibility of being considered a student loan defaulter because of this one year that I was not in school. I did not know about the grace period, the possibility of deferments, and what going into default meant. I did not even know that I was considered as a defaulter until I returned to the University and applied for aid, and was turned down. So I had to fund my own education. Using the money I had saved during my absence from school, I paid for my own tuition and living expenses for the following school year.

However, neither my savings, work income or family could cover my college costs the year after, so I had to return home again. These economics forced me into attending a considerably less expensive school (CSU) and living at home. I still am not eligible for federal assistance, so I have been forced to work up to 70 hours a week to pay for college. Unfortunately, there is no repayment plan once you go into default on a loan; I must pay the entire loan back at one time - something I just cannot afford to do right now.

Second, I would like to overview the financial aid dilemma here at Chicago State University. 80% of CSU students receive federal and/or state aid. This dependency arises from the fact that we are minorities within a lower income bracket. Most of us are the first in our families to attend college. 75% of the students are women, and many are single-parent mothers. The average age of CSU students is thirty-three. I note these statistics not to arouse a feeling of sympathy, but to show you the barriers we face in pursuing our academics full-time. With these other variables, the federal financial aid programs must fulfill their responsibility to all people pursuing a post-secondary education. Finanical aid programs need to be maintained and strengthened to relieve the economic pressures so that a successful academic life will be available to all of us.

Hence, there are a number of serious issues that we urge Congress to consider during this Reauthorization. For example, over 40% of CSU students attend school part-time. For many, the current ineligibility of less-than-half-time students for Pell Grants and Stafford Loans means that staying in school is a constant financial battle. Also, 53% of CSU students attend school during the evening. Yet, the financial aid office is not open at night. It shouldn't be surprising to us then that students like me are not aware of all of our financial options and the seriousness of taking out loans. So I urge you to (1) fund programs to meet the needs of nontraditionally aged students, such as the Title I programs that have received no funding since 1986; (2) extend eligibility for Pell Grants and Stafford Loans to less-than-half-time students; (3) mandate that schools with significant numbers of evening students have financial aid counseling available during evening hours; (4) restore the balance between loans and grants so that low-income students will not have to resort to taking out loans that, coupled with a lack of information, could have devastating economic consequences for them.

In conclusion, the federal financial aid dilemma means to us a lack of counseling, a lack of opportunities for monies besides loans, a lack of accurate information, a lack of college work-study jobs, and a lack of true options for minority students. When you add all of this together you get people who will never be able to attend law school or graduate school. And you have students who must choose the most affordable college rather than the college of their choice. Yet, worse of all, you have intelligent people aspiring to go to college who will never receive the opportunity to develop their minds in a post-secondary institution. Can American afford not to the tap the valuable resources of minority minds? Clearly, it must invest in all of her people, and federal financial aid is one of the most pressing investments it must make.

Thank you for this opportunity to testify today. I look forward to working with you and the United States Student Association on Reauthorization of the Higher Education Act so that education will be a right for all.

Mr. **Hayes**. Thank you. Silas, can you make available to us a written copy of your testimony?

Mr. **Purnell**. Yes, I will.

Mr. **Hayes**. Because I want to share it with my two colleagues who were here.

Mr. **Purnell**. Yolanda has been on my back already.

Mr. **Hayes**. All right, okay. I would like to direct a question to both you and Carol. What is the percentage of students that participate in your TRIO program that goes to some form of higher education?

Mr. **Purnell**. The percentage of the TRIO student who gets some form of higher education?

Mr. **Hayes**. Who go on to some form, maybe an institution of——

Mr. **Purnell**. I would say all of them go on to some form. The question is how many of them graduate. Yeah, because they may lose a few of the dollars. But, we do not lose hardly any. If they come to us, and they have a high school diploma, or a GED certificate, or they are 19 years of age, or they tell us they are 19, we can get them in college.

So, there is no reason for anybody not to be able to go to college. The question is, will he be adequately funded once you get in? Now, we do have the cure of getting a square peg in a square hole, you see. That is why sometimes it is not so much what they want, it is what they are prepared to do. Everybody that comes to see us wants to go to Harvard, the University of Chicago, Berkeley, and maybe Stanford or something. But, when you look at their background, their preparation, the most adequate choice for them may be Malcom X or somewhere.

They just do not have any—as I sit here this morning, I hear people talking about engineers and high tech in the year 2000, science and math. And, I wonder where they have been. The reality of our community is that kids cannot read. You do not read well, you do not write well, do not speak well, do not listen at all, and have problems thinking. Communication skill. That is what the reality—that is what all the tests show. And, when you start talking about teachers, somebody an engineer, who cannot read, you have a job over your head.

Ms. **Carson-Warner**. Well, specifically, for the Upward Bound program here at Chicago State, we have about a 93 percent rate of our students into postsecondary education, higher education. And, but again, once they are there, our task is to get them there. The retention of those students, because, for the most part, are low income and first generation, is quite low.

I think there were suggestions offered earlier that could very much help facilitate and hold institutions accountable to being more responsible to those students that they receive from us.

Mr. **Hayes**. What can we do—maybe you cannot answer, but it bothers me, I know, to hear figures where, like the University of Illinois, with an enrollment of some 25,000 students, I guess, and one of the best engineering students schools.

Mr. **Purnell**. Do not graduate blacks. Put that in the record.

Mr. **Hayes**. What can we do to change that?

Mr. **Purnell**. Hold the money up sometime. It is a question of institutional attitude. If you had questioned Ms. Fitzpatrick, who was sitting on the end there on the first panel, she did a little research years ago, looked at the students who go to University of Illinois, Northwestern and IIT in engineering. They were basically the same students. The students who had the most trouble were those who went to University of Illinois.

I never thought I would live to see the day that Georgia Tech would graduate more black engineers than Circle Campus, Urbana and you can throw in one of the others, too, Bradley or somebody downstate, put together. More black engineers. That is a fact. Purdue, in Lafayette, Indiana, does a much better job. We can go on and on. CCNY, New York, graduate more black engineers than both our engineering colleges, put together with graduating 2 years. You see, it is something wrong with the institutional attitude, and Congressman, one of the major reasons that nothing is done, nobody wants to deal with the issue of race. It has not changed.

Those folks who get appointed to positions there, they cannot speak up, because they are afraid they may lose their job. But, the whole question of race. You have to ask yourself, what is the problem, when a kid comes to the University of Illinois, who has been a top student all his life, and all of a sudden, he is in trouble. You see? All his life, he has been a top student.

University of Illinois, Medical School, is doing better, but in the engineering school, they are failing. In the college of business, most of the black students will not even get in the college of business. They will bang out before they get there. So, we can give you a whole book on that. They graduate 5.2 percent of the students there at Circle Campus. Now, that is Illinois Board of Higher Education figures, not mine.

Down at Urbana, they graduate 34.1 percent of the blacks, 70 percent of the whites. That is Illinois Board of Higher Education figures. None of them in the State are doing well. None of them. And, one of the reasons is, as I stated before, they do not understand the institutional capability. Many of them are recruiting students they cannot help. But, in the case of the University of Illinois, it is a question of elitism, and institutional attitude. They do not give the support that they should give to black, Hispanics and Native American students. I might add, a lot of poor white folks get ground up in the thing, too. The white folks are going to wake up one day, and find out that they are victims, too.

Mr. **Hayes**. Ms. Warner?

Ms. **Carson-Warner**. I do not remember what the question was.

Mr. **Hayes**. Why such a low enrollment, being one of the best engineering schools, and touted to be.

Mr. **Purnell**. Tops in the United States.

Mr. **Hayes**. That is right.

Mr. **Purnell**. For white folks.

Mr. **Hayes**. He answered it, maybe.

Ms. **Carson-Warner**. I think he did.

Mr. **Dade**. I went there, and I saw what you are speaking of. As far as blacks in engineering, they are not considered a valuable part of the engineering—school of engineering. We are talking Orientals and white people, are divided. They are housed differently, they are treated differently. U of I accepts a number of, make it look good, ratio of blacks and have no academic support services. And, this number, next semester are gone. One semester, half the people you saw coming out in freshman orientation are gone. There is no, they want to treat everybody like we are all in the same pot together. We all flew over here across the mighty rainbow, and it is not like that. You have people who come with circumstances different, with no academic support service, no kind of sensitivity to the people that we are. Not us, Hispanics as well.

So, you say, you are trying to fit in someone else's mold, which no one can do. You cannot be somebody else. I cannot be white, I cannot be Hispanic. I am black, and that is all I am going to be till I die. And, they do not have any kind of support, academic support services, or any kind of adequate counseling that can help someone go on.

I know people who have flunked out of the University of Illinois and gotten their master degree, before I got out of Chicago State, somewhere else. So, it is not the person. It is definitely the institution. And, how that elitism, we do not need you, you need us. And, that is no—you need me.

Mr. HAYES. Let me ask one—go ahead.

Mr. PURNELL. I would urge you to look at the university by department. What this young man is saying about the engineering is true in a number of departments, even in the highly touted medical school, which the program here run by Dr. Wallace. In order for the students down in Urbana who are in the medical center to get any help, Dr. Wallace got to run down there.

Dr. Wallace run down there, and we running back and forth. Black students are not a priority with the University of Illinois. Whether it is in the nursing school, the pharmacy school, the school of public health, the school of medicine, they are not. They do well up here in the school of medicine, but in Urbana, they are—we do not know how many kids who have flunked out of the University of Illinois, and who will be graduating from other medical schools. I will bring one by your office, or bring some by your office, and let you talk to them.

It was not good enough for the University of Illinois. But, they have finished outstanding medical schools elsewhere. So, what the young man is saying is very correct, and we have numerous instances of that.

Mr. HAYES. I raised the question of engineering primarily because we had a hearing most recently in Washington on the specific questions of access to math and science on the part of students who go to institutions of higher learning. The panel was comprised of corporate interest. In fact they were at high positions in different corporations.

And, one made the point that, in order to be, they had some training programs that they all had in this area of engineering, but there requirement of students to even get a job, or even be considered for employment was, you had to have at least 2 years of college. And, he made the point that you cannot find students, particularly minority students, who have that kind of training. So, they were already going overseas to fill their needs for these positions. And, I just wanted to find out, what can we do to change that situation? Who is at fault?

Mr. **Purnell**. They are at fault. It all depends on where they look. We have schools like Prairieview in Texas, Southern in Baton Rouge, Tennessee State, Howell, North Carolina A&T, Tuskegee and Hampton, that are turning out engineers everyday. And, Prairieview turns out a tremendous amount of engineer technicians. When you look at that, you can see somebody is lying. Somebody is lying.

These corporations, I hate to say this, but they are some of the biggest liar. The come and give money at a banquet, and they are the same ones who deny these kids the job with their firm. So, if they call down to Prairieview, all they have to do is talk to Colonel Penterwell. He can give them more help than they can think of.

Texas Southern does not have an engineering school. But, they have a technology program. It is black, but 80 percent of them are foreign. So, there are a lot of them around, if you get to them. They are not looking in the right place.

Mr. **Hayes**. One final question. You made a rather serious charge in your opening remarks, which I do not think I should let go unnoticed. You mentioned the fact that you were shocked at some of what you heard about the proprietary schools. You said working for some of these schools is like a license to steal.

Mr. **Purnell**. That is exactly what I said. Working for some of the proprietary schools is like having a license to steal.

Mr. **Hayes**. How can we change that? They are working with Federal dollars, some of them?

Mr. **Purnell**. Yeah, they have a vocal lobby, a highly financed lobby. We could change that by prosecuting these people. We have students, our Urban League has a report on it. There is a New York report on it, and I think I have both reports in my office, where students have been out of school and thought they—you know, like when you left school, and you thought it was all over with. And, they are still carrying them on the books. There are schools right in the City of Chicago, charging kids $7,000 to learn how to use a typewriter.

There are schools who purport to teach kids how to use a computer, and they can hardly read. Now, the gentleman testified that there would be thousands of people left in the street if these schools were closed. That is not true at all, and let me tell you why. You are within walking distance of Oliver. Old Oliver Community College. Built to hold 10,000 students. Got less than 3000 full time students in it. Got the best equipment that money can buy. Rooms full of typewriters, rooms full of computers, rooms full of laboratory equipment. So, do not feel that you are dumping anybody on the street.

The same is true at Kennedy King. The same is true at Malcolm X. The same is true at Truman and a number of others. Now, I tell you what they are going to throw away. They get more money for the people from Eastern Europe, you see. Nobody want to talk about race around here. The same as saying, if you are white, you are right. And, if you got to look at who was flunking out and who is being shut out, they are black, they are Hispanic, they are Native American, and they are all low income.

Mr. **Hayes**. I just want to raise one final question with the student over there. First I want to comment that I was very impressed with your stick-to-it-ness, even though you went out for a year, and you went to work. But, you still saw the need to get back in an institution.

I would like to know, specifically, I guess you must have gone to University of Illinois at the beginning. What support systems in the college of that university would have made your struggle easier?

Mr. **Dade**. Adequate advisement. Some kind of, someone, a freshman at this new turning point in my life, I lost all my direction. Which every student does at some level or another. Because you are on your own for the first time. And, you have to learn how to channel that energy positively, and not negatively.

You need someone who is, now, you see, the thing is, you are cast as soon as you come in. I do not know what percentage, but I will say up to 90 percent of Afro-American students are on the EOP program. They did not get into the school, like, they are thrown into the EOP program. So, you are casted from the get go, and you are treated as an inferior. You are treated as, you should not be here, but we let you in here now. Do as we tell you, and do not call and interrupt us. And, go in the house by 10 p.m. That is how they want to treat you. It is the whole attitude of the university. They—fit our mold or go home. And, as students, we need some direction. We are confused. Everybody is pulling out coattail. We have lost our direction. It is very hard to maintain that strong sense of academia, that you do not need to do well, but you need just to survive.

Mr. **Hayes**. At the previous hearings—you want to comment on that?

Mr. **Purnell**. Yes, Congressman, I do not want you to forget something. You asked what can you do. Well, we had a trouble over there before about getting an associate chancellor appointment. You went over there, and you sat down. As a result, we got Dr. Ann Smith over there, and Louise, what is her name? I cannot think of her name. Duo. When we were only after one, you see.

I think with the new chancellor, Dr. Stukal, I think now is the time that he will listen more than he would listen at any other time.

Mr. **Hayes**. Are you suggesting I go back?

Mr. **Purnell**. I think you should go see Dr. Stukal again, and just tell him what you learned here today.

Mr. **Hayes**. I may make available to him a copy of this testimony.

Mr. **Purnell**. That is correct.

Mr. **Hayes**. Now, for our final question, at previous hearings in Washington, we heard a lot about simplifying the financial aid application process. From a student perspective, and I address this to you, Mr. Dade, do you find the process complicated? Or do you have suggestions as to how we can simplify it?

Mr. **Dade**. It was very simple once I had seven other people sitting down there helping me fill it out. If I could understand, it used to be about four or five pages, I could probably do well in filling it out. It takes about a week to fill out those papers. I do not know why. But, they get more complicated and more complicated, every year.

How much I have, how much my family has, how much we are worth. That is what you want to know. Why does it get so hard? You know, I have enough problem with my taxes, let alone doing this. Stafford—10 years to do this thing. So, yes, it is a very complicated process that, as a student, you definitely have to have somebody else fill it out. A freshman could never fill it out. It is not simplistic or nothing.

My newspaper is not hard to read.

Mr. **Hayes**. Do you two share that opinion?

Mr. **Purnell**. I do.

Mr. **Hayes**. You almost need to be a lawyer, on some of the stuff.

Ms. **Carson-Warner**. It is difficult, but I think one of the things that we must do, if it is not going to change. I am hopeful that it does streamline it. But, the adequate funding is more so the issue, and the criteria for the individual student receiving the funds is even more important. We have to get monies for low income students to go to college. And, that is the bottom line. Silas has another bottom line.

Mr. **Purnell**. That is one thing that you have to look at, that I disagree with, too, and that is the independent study body. In our offices, if you have 100 independent students, 50 of them are lying. And, they come from middle income families, who are sophisticated enough to know what to do with these forms. Poor people do not know how to write like that. They do not have the system. In fact, they do not have to write.

But, independent students come to our office, and we can just look at the address. And, here is a guy who will tell you he made $500 a month, and he lives at 730 South Shore Drive. Something is wrong with that. Or, he lives on North Lake Shore. The independent student, you have to take a very close look at it, you have to declare independents to. They have another term now, the dislocated worker. He enrolls in financial aid that would be going to poor people. Now, I thought that the Education Act, as it was written and enacted, was to help poor people.

And, each year, like the young man said, less and less of the poor are being able to get it. And, if you look at who is the category, under the best conditions, we do not have that many poor people in college anyway, under the best of conditions. If you pay everything, you still would not have that many poor people in college.

So, we ought to work hard, and see that they get the money.

Mr. **Hayes**. I want to thank this panel very much. I think your testimony has been very helpful to us, as has the other panel. There is no question about it. I do want to leave you with this thought, that as you proceed to try to prove the access to education for the poor and underprivileged, you ought to know that there are people with whom I have to associate and work with, who have no sensitivity about the direction you are going. As a matter of fact, I have heard charges, as we emphasize, some of us, of finding money for those who need when it comes to aid for education. They charge that this would be an approach towards reverse discrimination. So, it is not easy. I just want to leave you with that thought. But, we have to keep pursuing it, because I think it is right. Thank you very much.

The next panel is Ms. Cox—and this is our final panel, by the way—who co-chairs the First Congressional District Educational Task Force, and Mitch Vogel, who is president of the University Professions of Illinois, who is also going to represent the American Federation of Teachers. As you know, we had a third person on this panel, but Vogel is going to represent the teachers, too. Ms. Vaughn got tied up, and could not make it.

So, we will begin with you, Ms. Cox.

STATEMENT OF FLORENCE COX, CO-CHAIR, FIRST CONGRESSIONAL DISTRICT EDUCATION TASK FORCE, CHICAGO, ILLINOIS

Ms. Cox. Good afternoon, Congressman. Thank you, and members of the committee, for this opportunity to address you, share with you, some of our views on the Reauthorization of the Higher Education Act.

While members of the First Congressional District Educational Task Force support the Act and applaud its initial intent and spirit, trends that developed in the 1980s and changes that occurred in 1986 are areas of concern for the First Congressional District Educational Task Force. Minority access to higher education, especially for minority males, has been, is being, diminished. Given a choice, many opt for the proprietary school setting where the program duration is 2 years or less and vocational technical in nature. Concern over the high default rates on guaranteed student loans and concern for abusive practices by schools themselves is, of course, justified. Both areas deserve review. However, should not the major focus of that review be whether or not the initial loan should have been a grant? Given the high rate of unemployment in the minority community, grants appear to be the most logical form of funding and possibly offer the soundest investment return.

The American Dream led us to bank on working and saving for our children's college education. Between this Nation's economy and spiraling college costs, the dream has become the ghost of Christmas past. In families where multiple children seek college education within a 2 or 3 year span of each other, the impact has been devastating. The family is put in the position of either mortgaging or defaulting itself out of financial existence. Has anyone ever given thought to a family loan/grant package option for such families?

With the increase in the number of students attending 2 year institutions and the increase in the number of persons over age 25 years returning to school, the shift from grants to loans appears to be in reverse order. Traditionally, the older student has been the more stable student as well as the one with more financial responsibility. Why add additional expense to one already financially ladened? To allow loans to replace grants as the major source of student aid is debilitating educationally and economically in a large segment of the American public. For a major portion of that public, grant funded postsecondary education is the light at the end of the tunnel. It is the way out.

America became a first rate power because it dared to provide public education for its people. We educated ourselves so well that others trusted us to educate theirs as well. With the advent of the new global society, the world without walls, can we afford to retreat from assuring ourselves and our posterity of the best we have to offer? If we facilitate greater access to post secondary education, what does this Nation lose? What does it gain? Which is the better option for America?

[The prepared statement of Florence Cox follows:]

May 23, 1991

TESTIMONY

Chairman Ford, Members of the Committee on Post Secondary Education, on behalf of the First Congressional District Educational Task Force, I thank you for this opportunity to share with you, some of our views on the reauthorization of the Higher Education Act.

While we support the Act and applaud its initial spirit and intent, trends that developed in the 1980s and changes that occurred in 1986 are areas of concern for the First Congressional District Educational Task Force.

Minority access to higher education especially for minority males, has been/is being diminished. Given a choice, many might opt for the proprietary school setting where the program duration is two (2) years or less and vocational technical in nature. Concern over the high default rates on guaranteed student loans and concern for abusive practices by schools themselves is of course justified. Both areas deserve review. However, should not the major focus of that review be whether or not the initial loan should have been a grant? Given the high rate of unemployment in the minority community, grants appear to be the most logical form of funding and possibly offer the soundest investment return.

The American Dream led us to bank on working and saving for our children's college education. Between this nation's economy and spiraling college costs, the dream has become the ghost of Christmas past. In families where multiple children seek college education within a two or three year span of each other, the impact has been devastating. The family is put in the position of either mortgaging or defaulting itself out of financial existence. Has anyone given thought to a family loan/grant package option for such families?

With the increase in the number of students attending two year institutions and the increase in the number if persons over age 25 years returning to school, the shift from grants to loans appears to be in reverse order. Traditionally, the older student has been the more stable student as well as the one with more financial responsibility. Why add additional expense to one already financially ladened? To allow loans to replace grants as the major source of student aid is debilitating educationally and economically to a large segment of the American public. For a major portion of that public grant funded post secondary education is the light at the end of the tunnel, it is the way out.

America became a first rate power because it dared to provide public education for its people. We educated ourselves so well that others trusted us to educate theirs as well. With the advent of the new global society, the world without walls, can we afford to retreat from assuring ourselves and our posterity of the best we have to offer? If we facilitate greater access to post secondary education, what does this nation lose? What does it gain? Which is the better option for America?

Florence B. Cox

Mr. **Hayes**. Thanks very much. Mr. Vogel?

STATEMENT OF MITCH VOGEL, PRESIDENT, UNIVERSITY PROFESSIONS OF ILLINOIS, CHICAGO, ILLINOIS

Mr. **Vogel**. Thank you. On behalf of the University Professions of Illinois and the American Federation of Teachers, I want to thank you for this opportunity to state our views on the Reauthorization to Higher Education Act of 1965. I also want to express our appreciation to the Chairman for holding one of the national field hearings on this important legislation in Illinois. In particular, at Chicago State University. On behalf of the faculty and professional staff which we represent at Chicago State University, we would like to welcome you here.

Your appearance comes at a very opportune time. I think we are, in America, on the verge of creating a losing generation. We have lost generations in other types of labels given to other generations, but we are now on the verge of creating the losing generation. This generation of young people on the verge of losing the race for economic improvement and social improvement, to their parents. This is the first generation where, economists of all stripes, of all political parties and of all philosophies are saying, will not do as well economically, as their parents did. This is, in fact, a potential losing generation for us, and your committee and the Reauthorization of this Act are going to come to grips with that, we hope, and come up with the best possible solutions.

Chicago State and the other 11 public universities in Illinois are presently in a state of economic crisis. We need your support. This economic crisis is forcing universities into making serious cuts in programs which are developed to increase opportunities and access to our universities, as well as a lifestyle that higher education offers its graduates. If these opportunities are no longer available to the students of Illinois, and students across America, we will find that this generation of young Americans will go down in history as a "losing generation."

In recent years, Illinois has chosen not to fund its public universities adequately. In fact, controls for inflation, funding of our public universities, and all the programs that we have heard described this afternoon, the actual funding has declined dramatically. Illinois presently ranks 47 amongst the 50 States in higher education funding increases. Higher education's share of the total State budget has declined by over 20 percent in the last decade and a half, and programs promoting equal access and special skills, including State teacher training scholarships, have never been adequately funded.

The American Federation of Teachers has taken an active role in the Reauthorization of Higher Education Act, and as you know, has submitted to this committee a 200 page document outlining these legislative proposals. And, we thought that if there were a lot of unfriendly people up on the dias, we would read all 200 pages. But, since we only see friends, we have turned that into the staff, and they can digest it.

The recommendations in those pages address four priority areas, which I would like to just highlight right now. One, righting the imbalance between grants and loans. Our proposal reestablished Pell Grants as the foundations of access to a college education. The AFT and HEA recommendations raise the maximum award to $4,000, an increase from the present level of $2,400. And, we orient the formula to fully support the direct education expenses of a commuter student at the average State college.

In addition, we ask that you increase the cap on eligibility, from the $35,000 to a more realistic $43,000. In Illinois, where the Pell funding has increased by approximately 74 percent since 1980, and the supplemental award grants shared by approximately 25 percent, the increases have done very little to offset increased tuition and costs with public university students.

These students have experienced too many increases since 1972 when the proposals were developed. Since 1972, tuition in this State has increased by 400 percent. Now, think about what that means to the students and to equal access in this State.

Our second recommendation—let me just add a personal note, because it really struck home to me. A former student of mine recently visited, and recalled back a visit he made with me a few years ago, when, in an internship program and a special law school program he was doing, he was assigned to do work with a social research agency, investigating the improper use of pesticides in our Nation's produce industry.

He was all excited because he had done some work which really exposed some really dreadful conditions. He was real excited about that, and saw a career for himself in the area of social advocacy. Shortly after graduation, he faced the bottom line of relying more and more upon loans, as you mentioned earlier, and he had $50,000 he had to come up with to pay in student loans. His answer, and the only answer that was available to him in order to pay off those loans equitably, was to take a job with the very same industry that he had spent time investigating for improper conduct.

So, here we had someone developing the research to look at a more equitable way of putting, growing our produce. We now have him going to the other side. And, that is one story. But, what is more than one story is the large number of people who would like to do jobs as teachers in our country, who would like to take jobs as nurses, or social workers, or join the Peace Corps, or do other sorts—including political advocacy, and working for a Congressional aide. We would like to do that, but because the pay is so low, and they have so many student loans that they have been forced to take out, that they cannot do that. And, they take jobs which pay more, but which are not necessarily what they want to do. So, one of our recommendations very strongly deals with righting the imbalance between grants and loans.

The second recommendation assures equitable aid to non-traditional students. And you heard a lot about that this morning. Our proposals restore and sharpen aid to less than half-time students in the Pell Grant and other programs. We bolster the financial aid office to discretion, assure a fair accounting to dependent care expenses, and allow for easier use of student aid in conjunction with other Federal support programs.

More than 40 percent of the college going population is above the age of 24, with financial needs comparable to 18 to 24 year olds.

Yet, prior to 1986, the Higher Education Act provided little or no support for these students. With today's economic crisis, more and more students will have to attend school on a less than half time basis. The retention of the aid to less than half time students provision is a low cost means of assuring that students with the greatest need will be able to continue their education.

Also, students who are over 24 years of age, and independent of their parents, should not be expected to contribute a prohibitive portion of their earnings to obtain an education.

My third recommendation you have heard a lot about in the second panel, which is—and subsequently—protecting students against trade school fraud and abuse. The AFT proposals strengthen the oversight activities of the Federal Government, State governments, and voluntary accrediting agencies in this area.

Our fourth recommendation calls for strengthening teacher professional development programs. Our proposals create new programs to recruit teachers at the shortage areas, such as—calls for establishing a new teacher corps, a veteran teacher corps, a career ladder teacher corps, and creates two new programs, professional practice schools and professional development grants to reforming districts to advance professional development school reform.

Right here in Chicago, through the combined efforts of the United, of the University Professionals of Illinois, and the Chicago Teachers Union, affiliate of the AFT, and that is what President Vaughn wished to speak to you about, we are—planning is going on to develop at least three professional practice rules, utilizing the resources and personnel at this institution, and that of Northeastern Illinois University.

In sum, the Reauthorization of the Higher Education Act of 1965 may be the most important education issue addressed by the 102nd Congress. We believe the proposals outlined in this testimony will significantly strengthen this legislation. By restructuring the Pell Grants, you would reverse the imbalance between loans and grants, greatly increasing access to higher education. And, for the first time, assure access to the local community and State colleges.

By revamping the financial needs analysis system for adult learners, and by reviving aid to students attending less than half time, we would assure that needy adults with the ability and motivation to get a college education are given a fair break. By strengthening the regulation for for-profit trade schools, and requiring that ability that benefit students receive high school equivalency training, we would create, in effect, a consumer bill of rights for students in short-term training programs. By greatly enhancing support for the training of elementary and secondary school teachers and college faculty, we will go a long way toward reversing the catastrophic teacher shortages expected to hit all levels of education during this next decade.

Unless proper intervention by the Federal Government and others is undertaken, this generation of college age students will become the first generation where lifestyle expectations will be less than that of their parents. We call upon you to accept the recommendations of the American Federation of Teachers, and the University Professionals of Illinois to prevent this generation of young Americans from being the first to become a part of a losing generation. Thank you.

[The prepared statement of Mitch Vogel follows:]

TESTIMONY BY

MITCH VOGEL, PRESIDENT

UNIVERSITY PROFESSIONALS OF ILLINOIS

REPRESENTING THE

AMERICAN FEDERATION OF TEACHERS, AFL-CIO

BEFORE THE

U.S. HOUSE OF REPRESENTATIVES

COMMITTEE ON EDUCATION AND LABOR

ON THE

REAUTHORIZATION OF THE HIGHER EDUCATION ACT OF 1965

CHICAGO, ILLINOIS

MAY 24, 1991

Mr. Chairman and Members of the Committee:

On behalf of the members of the University Professionals of Illinois, the IFT Universities Council, the Illinois Federation of Teachers, and the American Federation of Teachers, I want to thank you for this opportunity to state our views on the reauthorization of the Higher Education Act of 1965. I also want to express our appreciation to the Chairman for holding one of the national field hearings on this important legislation in Illinois. In particular, welcome to Chicago State University. The faculty and professional staff at Chicago State University are represented by The University Professionals of Illinois, Local 4100 of the American Federation of Teachers.

Chicago State and the other 11 public universities in Illinois are presently in a state of economic crisis. This economic crisis has forced our universities into making serious cuts in programs which were developed to increase opportunities and access to our universities as well as the life style that higher education offers its graduates. If these opportunities are no longer available to the students of Illinois and students across America we may find this generation of young Americans going down in history as the "Losing Generation."

In recent years Illinois has chosen not to fund its public universities, adequately. In fact, controlled for inflation, funding of our public universities has declined dramatically. Illinois presently ranks 47th amongst the 50 states in higher education funding increases. Higher Education's share of the total state budget has declined by over 20% in the past decade and a half and programs promoting equal access and special skills, such as our state teacher training scholarships have never been adequately funded.

The AFT has taken an active role in the reauthorization of the Higher Education Act and has submitted to this Committee a 200 page document outlining its legislative proposals. The recommendations address four priority areas:

I. Righting the imbalance between grants and loans. Our proposals re-establish Pell grants as the foundation of access to a college education. The AFT recommendations raise the maximum grant to $4000, an increase from the present level of $2,400, and reorient the award formula to fully support the direct education expenses of a commuter student at the average state college.

In Illinois where the Pell funding has increased by approximately 74% since 1980 and the Supplemental grants share by approximately 25%, the increases have done little to offset increased tuition and costs for public university students. These students have experienced tuition increases of over 400% since 1972.

II. Assuring equitable aid to nontraditional students. Our proposals restore and sharpen aid to less than half-time students in Pell Grants and other programs; bolster financial aid officer discretion; assure a fair accounting of dependent care expenses; and allow for easier use of student aid in conjunction with other federal support programs.

More than 40% of the college-going population is above the age of 24 with financial needs comparable to 18 to 24 year olds, yet, prior to 1986 the Higher Education Act provided little or no support for these students. With today's economic crisis more and more students will have to attend school on less than a half time basis. The retention of the "aid to less than half-time students" provision is a low cost means of assuring that students with the greatest need will be able to continue their education.

Also, students who are over 24 years of age and independent of their parents should not be expected to contribute a prohibitive portion of their earnings to obtain an education.

III. Protecting students against trade school fraud and abuse. The AFT proposals strengthen the oversight activities of the federal government, state governments and voluntary accrediting agencies.

IV. Strengthening Teacher Professional Development Programs. Our proposals create new programs to recruit teachers into shortage areas, establishes a new Teacher Corps, Veterans Teacher Corps, Career Ladder Teacher Corps and creates two new programs, Professional Practice Schools and Professional Development Grants to Reforming Districts, to advance professional development and school reform.

Right here in Chicago, through the combined efforts of the University Professionals of Illinois and the Chicago Teachers Union, an affiliate of the AFT, planning is going on to develop at least three Professional Practice Schools utilizing the resources and personnel of Chicago State University and Northeastern University.

GOAL I. RIGHTING THE IMBALANCE BETWEEN GRANTS AND LOANS

Almost everyone recognizes that the three-tier structure of federal student aid programs erected in 1972 has not performed as intended. The Pell Grant was intended to provide a basic level of access to a public college for the lowest income students. The campus-based programs (SEOG, Work-Study and National Direct Loans) were to provide an extra margin of support to needy students and allow an element of choice among types of institutions. The Guaranteed Student Loan was intended to provide middle class individuals with enough money to attend a relatively high cost college.

This ideal, never fully realized in the 1970's, was distorted beyond recognition in the 1980's. Pell Grant appropriations rose, but most of the increase went to support a large clientele attending proprietary schools, and, as a result, the maximum Pell Grant was never able to keep pace with rising college costs.

Federal grants used to receive about three times as much funding as federal loans, however the proportions are nearly reversed now. The result, predictably, was that too many students have defaulted on loans they should not have needed in the first place. This problem is especially severe for students at proprietary schools, who are often saddled with large loans to meet high trade school tuitions and then face modest to nonexistent job prospects in their chosen fields.

As a result, these is much talk about "righting the balance" between grants and loans and assuring that a greater proportion of aid, at least the aid that reaches low-income students, comes in the form of grants.

PELL GRANTS

The AFT has recommended that the maximum Pell Grant be set at $4,000, an increase from the current level of $2,400. The AFT bases it's $4,000 grant on a formula that provides for a $2,500 education cost allowance plus up to $1,500 in tuition, minus the expected family contribution. We have also called for a yearly adjustment based on the Consumer Price Index, thus inserting a level of predictability in the grantmaking process and establishing federal expectations about reasonable levels of cost increases.

The rationale of the proposal is clear and simple. This Pell Grant provides basic access for a commuter student at a state college, realizing the dreams of the founders of the program. The $2,500 educational costs allowance is based on the fact that the average cost of books, transportation and board for a commuter student at a state college is now $2,558. The $1,500 tuition allowance is based on the average tuition cost at a state college.

Most other proposals being discussed do not provide full access to an education for all students and require complicated formulas that result in only a percentage of the tuition being covered. The AFT proposal states plainly that the first priority is to provide genuine access to an education at a local public institution. The private college student would not get one penny less under this proposal, thus resulting in a gain for both public and private college students.

Expanding Grant Aid to Middle Income Students

The AFT has addressed the issue of assuring that middle income students have greater access to grants by proposing that Pell Grant eligibility be expanded to families with incomes up to $43,000, as opposed to the income cap of $35,000 that currently exists.

This increase would restore the effect of the Middle Income Student Assistance Act of 1978, with income adjusted to inflation. That legislation was, regretfully, gutted at the outset of the Reagan administration. The AFT does not support the Administration's proposal of "targeting" grants to students with family income levels below $15,000. Under the Administration's plan, both low and middle income students would have their grants significantly reduced or eliminated.

GOAL II. ASSURING EQUITABLE AID TO NONTRADITIONAL STUDENTS.

Aid To Less Than Half-Time Students

The AFT supports retention of the Pell Grant provision that provides aid to less than half-time students. This provision assures that students in the greatest categories of need can receive support for a portion of their college attendance costs if circumstances require them to attend on a less than half time basis and are making satisfactory progress.

More than 40% of the college-going population is now above the age of 24 (the average age of community college attendees is about 30), and the financial need exhibited by these older students is comparable to 18-24 year old students. Yet, prior to 1986, the Higher Education Act provided little or no support to these students. Needs analysis formulas favored dependent students and part-time students were often disqualified for aid entirely. In 1986, the law extended eligibility to less than half-time students, but only to those in the neediest aid categories and only to cover direct educational expenses. The law went into effect in 1988, however, in 1989, citing budgetary concerns, the FY 90 appropriation was suspended and it was suspended again in FY 91.

In today's economic crisis, more and more students will have to attend school on a less than half-time basis. Retaining the "aid to less than half-time students" provision is a low cost means of assuring that students with the greatest need will be able to continue their education.

Assuring Campus-Based Aid to Part time Students. The 1986 reauthorization called upon colleges to provide a "reasonable proportion" of their campus-based aid to part time students if the college had applied for federal aid partly on the basis of the need exhibited by those students. Federal regulations have, in effect, negated the "reasonable proportion" rule and released schools from having to fulfill this obligation, resulting in only a fraction of aid going to these students.The AFT proposal gives concrete meaning to the phrase "reasonable proportion" by adding a numerical requirement. If the total financial needs of students attending the institution less than full time equals or exceeds 5% of the institution's federal aid allotment, then an amount equal to at least half of that percentage must be made available to such students. For example, if 20% of the students at an institution are less than full time, the institution must allot 10% of its campus based aid to part time students.

Assessing The Financial Needs of Nontraditional Students. Independent students, those who are 24 years of age and independent of their parents, should not be expected to contribute a prohibitive portion of their earnings in order to obtain an education. The AFT has proposed three advances in the area of the needs analysis system.

(1) Financial Aid Officer Discretion. Under the AFT proposal, financial aid administrators have explicit discretion to use an "estimated year income" basis to assess the financial need of aid applicants who are likely to experience a pronounced reduction in their income at the time of enrollment. The current yardstick of "base year income" is a poor predictor of financial capacity for adult students, who may be displaced workers or homemakers, or individuals whose income is likely to be reduced significantly by the fact of attending school.

(2) Welfare and Food Stamp Conformance. The AFT proposal would change the legislation so that federal student aid is not counted as personal income, in whole or in part, in determining an individual's eligibility for food stamps or welfare. Currently, student aid not directly attributable to tuition and fees is counted against eligibility for food stamps and welfare programs. Student aid is not welfare and the portion of the student aid attributed to "living costs" should be considered a contribution to education related costs. Beneficiaries of these programs should not be put in the position of choosing between getting an education or feeding their families.

(3) Dependent Care. Under the AFT proposal, the costs of caring for children or other dependents

shall be considered, along with other factors such as income, assets, number of family members and medical expenses, in determining the family's ability to contribute to college costs. A cap of $3,000 for dependent care would conform with recent average yearly child care costs. Currently, Pell Grant applicants are permitted to count only up to $1,000 toward child care expenses. Because grants are limited to 60% of the costs of attendance, this allowance rarely serves to increase grants.

GOAL III. PROTECTING STUDENTS AGAINST TRADE SCHOOL FRAUD AND ABUSE

The student loan default problem is largely a problem of students enrolling in short-term, narrow, job-based training programs that charge them too much and give them far less training than they need to succeed in their profession, generally low-paying service jobs. By 1989, the default rate for proprietary school students was about 40% compared to about 20% for two-year colleges and about 9% for four year colleges. Congressional leaders have indicated their opposition to the creation of a separate federal program to support short-term training as opposed to traditional higher education.

The AFT has concentrated on the development of proposals to strengthen the "triad" of agencies that oversee proprietary schools: the U.S. Department of Education, the states, and the private accrediting agencies.

Federal Responsibilities. The AFT proposal mandates greater federal oversight of institutions in the proper management of federal student financial assistance programs. The Secretary of the U.S. Department of Education would assume primary responsibility for assuring the administrative and financial integrity of institutions participating in federal aid programs and for guaranteeing that aid recipients receive fair financial treatment from participating institutions. The Secretary would be required to collect from all postsecondary institutions detailed information on revenues, expenditures and profits for publication and inclusion in national data systems. The Secretary would also be given explicit authority to implement differential eligibility requirements in particular circumstances.

State Licensure. The Secretary of the U.S. Department of Education would be authorized, in consultation with the states, to develop appropriate standards for the improvement of state law and policy with respect to the operation and enforcement of the integrity of institutions of higher learning. The states would be responsible for licensure and for developing criteria for licensing institutions based on federal guidelines. The states would be responsible for assuring: (1) that a school's program meet actual employment need in the state, that the course of study relates to those employment needs and to state licensure requirement in the field; (2) that the school's program demonstrates an adequate placement and licensure rate; and (3) that adequate information is provided to students about educational costs, student aid, withdrawal rates and job opportunities.

Accrediting Agencies. Under the AFT proposal, no accrediting agency may be approved by the Secretary of the U.S. Department of Education unless the agency meets the standards established by the Secretary. The provision strengthens oversight of accrediting agencies and reaffirms the role of these agencies in assessing the academic quality of colleges and career schools.

Ability to Benefit. The AFT proposal requires that ability-to-benefit recipients receive independent testing prior to enrollment and receive a high school equivalency certificate within a year of entering a postsecondary education program. It requires that high school equivalency training be provided to them and that their progress be monitored. It provides that aid will be withheld after one year if a high school equivalency has not been achieved, or, in the case of programs lasting one year or less, that the degree of certificate not be issued without having achieved a high school equivalency certificate.

Title V

GOAL IV. STRENGTHENING TEACHER PROFESSIONAL DEVELOPMENT PROGRAMS

The AFT has been the leader in highlighting the implications of the national teacher shortage that is nearly upon us. Title V of the Higher Education Act is the government's major vehicle addressing the need to recruit new teachers and to create an atmosphere in which higher education institutions and schools can work together to enhance quality teaching and promote school reform.

The AFT proposal reorganizes Title V and sharpens its focus on two overriding themes: (l) educator recruitment; and (2) professional development. In the area of recruitment, the proposal calls for the continuation of existing programs and for the initiation of three new Teacher Corps programs. In the area of professional development, new programs are authorized to initiate special professional practice schools and enable educators to meet the demands of school reform.

TEACHER RECRUITMENT

Paul Douglas Scholarship Program. This program, which the AFT was instrumental in establishing, provides scholarships to top-ranked high school students who agree to serve as teachers two years for every year of aid. The AFT continues its support of the Paul Douglas program and proposes expanding the program eligibility to include college students with a B-average or better who want to transfer into a pre-teaching track.

Teacher Corps. The AFT proposes a new Teacher Corps aimed at training highly qualified teachers willing and equipped to teach in schools serving high concentrations of low-income families. The program would authorize student scholarships and project support to local school districts operating in collaboration with institutions of higher education.

Grants would be divided among the states based on their Chapter 1 populations, and, within the states, three-fourths of the funds would be targeted to districts with over 50% Chapter 1 populations. Project activities would include: (1) offering scholarships and/or loans to students agreeing to serve in target areas; (2) offering project support to institutions with a state-approved teacher education program that designs creative training, induction and mentoring programs in cooperation with school districts, including community colleges which enter into articulation agreements with 4-year institutions; and (3) supporting programs that interest teachers in non-target areas to work in target areas, and to help teachers in target areas work more effectively.

Veterans Teacher Corps. The AFT proposal establishes a new categorical grant program that enables school districts to inform United States military veterans, including Persian Gulf veterans, of teaching opportunities and to employ them in school districts as teachers.

Grants would be used to support: (l) the planning and implementation of informational and outreach programs designed to complement G.I. benefits, to inform military veterans about teaching opportunities and the qualifications necessary for teaching; (2) scholarships and loans to veterans to assist them in meeting the qualifications to become teachers; and (3) support for programs to assist veterans in becoming teachers.

Career Ladders Teacher Corps. The AFT proposal establishes a new categorical grant program that enables school districts to identify promising paraprofessionals, offer them scholarships and supportive services, and agree to employ them as teachers following the completion of their education.

Participating districts would have to assure: (1) appropriate access to courses (such as release time, arrangement of course out of school hours, classes at work site or sabbaticals); (2) articulation agreements between community colleges and universities; and (3) an appropriate amount of academic credit for job related experience, consistent with state licensing standards. Paraprofessionals who enter and complete this program will agree to work in the school district for at least five years upon the completion of training as a teacher.

PROFESSIONAL DEVELOPMENT

Christa McAuliffe Fellowships. The AFT continues its support of this program which awards fellowships to outstanding teachers so they may engage in sabbaticals for research, pursuit of further education or other educational improvement activities.

Professional Practice Schools. The AFT has proposed an innovative new program that establishes a network of professional practice schools which serve as training centers for new and existing teachers; as laboratories for testing new techniques of teaching and organizing schools; and as generators and repositories of educational research. Operated in a collegial framework and cooperatively governed by the local school district, a university (or consortium of universities) and school professional groups, Professional Practice Schools integrate educational theory and practice and function in ways similar to teaching hospitals.

Grants under this program would be divided among the states based on their Chapter 1 populations, and, within states, three-fourths of the funds would be targeted to districts with at least 50% Chapter 1 populations.

Professional Development Grants to Reforming Districts. The AFT proposal establishes a new program that enables school districts to meet national education goals by implementing top-to-bottom reforms in school organization and in professional staff development.

Grants under this program would be distributed among the states with a high Chapter 1 population and to high Chapter 1 districts that agreed to become "reforming districts".

Reforming districts are those that can demonstrate that they have created district-level mechanisms promoting school-wide change, coupled with comprehensive staff development plans. Districts must demonstrate that; (1) the reform policies are targeted to the objectives of the national goals; (2) that they have established partnerships that include teachers, professional associations, higher education institutions and administrators; and, (3) that staff will receive time subsidies for their participation in professional development activities. Some of the activities permitted under this grant would include professional training (administrator, teacher and paraprofessional), experiments with technological innovations in the classroom, staff training and support activities focused on math, science and literacy, and engagement of federally funded research labs and centers in a consultative and supportive role.

CONCLUSION

The reauthorization of the Higher Education Act of 1965 may be the most important education issue addressed in the 102nd Congress. We believe the proposals outlined in this testimony will significantly strengthen this legislation. By restructuring the Pell Grant, we would reverse the imbalance between loans and grants, greatly increasing access to higher education and, for the first time, assure access to the local community or state college. By revamping the financial needs analysis system for adult students and by reviving aid to students attending less than half-time, we would assure that needy adults with the ability and motivation to get a college education are given a fair break.

By strengthening the regulation of for-profit trade schools and requiring that ability-to-benefit students receive high school equivalency training, we would create, in effect, a consumer bill of rights for students in short-term training programs. By greatly enhancing support for the training of elementary and secondary school teachers and college faculty, we would go a long way toward reversing the catastrophic teacher shortages expected to hit all levels of education during this decade.

Unless proper intervention by the federal government and others is undertaken this generation of college age students will become the first generation where life style expectations will be less than that of their parents. We call upon you to accept the recommendations of the American Federation of Teachers and the University Professionals of Illinois to prevent this generation of young Americans from being the first to become a part of the "Losing Generation."

Mr. **Hayes**. Thank both of you. I only have one question I want to direct to each of you for a response. If the trend continues in the punitive approach to proprietary school problems, where will our minority students go? I noted your comments about the majority of minority students are taking proprietary 2 year institutions. If these are forced out, where do they go?

Ms. **Cox**. Congressman, given the way that things are going, there will be no place for them to go. Most of the students that choose these proprietary institutions do so because they want to get into a setting that they feel will give them what they need, in as short a time period as possible. In other words, they want to get some kind of technical, vocational technical training, so they can hurry up and start to make some money, to get themselves and their families on solid ground. And, if the proprietary institutions are taken away, I do not know where the people will go. Because they are beyond the secondary age limit. And, there is nothing else at this point, that I know of, that can fill that void.

Mr. **Hayes**. Mr. Vogel?

Mr. **Vogel**. I do not advocate a punitive approach towards proprietaries, and I am very clearly aware of the important service that many of them do for many of our young Americans, and senior Americans as well. The problem is that many of them are not doing what they are supposed to be doing. And, in some cases, some of them might be better off on the streets than in classes where they are being ripped off, and the Pell Grant program is being ripped off.

I think what is needed is giving some authority to the States, and giving some authority to the Federal Government. And, you ought to sit some of these schools down, and you talk about accreditation. Public institutions, whether they are 2 year or 4 year, and even our K-12 institutions all go through an accrediting process, which I think some of these institutions should be doing. And, to be perfectly frank, I am surprised they have not done it themselves. Most important, accrediting associations for our K-12 institutions were created by the K-12 institutions themselves. And, I think that is something that the proprietaries should have been thinking about a while ago, and putting some standards, so that money was not being misspent. And, I think there is a place for these institutions. Whether they receive Federal funds or not, is something that you all will have to decide.

Mr. **Hayes**. Well, I want to thank both of you for your testimony. It has been, as were the others, very helpful to us. To me, particularly, as a Member of the Congress. You have certainly enlightened me in areas that I did not quite yet understand.

And as I proceed to try to convince some of our people, at least, in the Congress that there is a correlation between education and prisons. It costs more to incarcerate a kid, a person, than it does to educate him, which would help many of them to stay out of some of these institutions, and not turn towards crime as a way of life.

I want to particularly thank, too, the staff from Washington, my own legislative director, Katrina Kelly. I want to thank her, because she did most of the work, as did the staff here, locally, in preparation for this hearing.

And I want to thank the counsel over here for the Education and Labor Committee, and I am sure you will transfer the message to the Chairman of our full committee, Congressman Ford of our appreciation for his tolerance and understanding of the need for such a hearing. He has to okay whatever funds are spent in these kind of field hearings. And, not only that, the follow up to what comes out of it, what it means to our efforts to refinance the Higher Education Act of 1965. We have a long ways to go in trying to get this done, accomplished.

I do not know how we can emphasize more, and I say to you people, the few that are left, I appreciate your patience for sticking around. It might be helpful if you would write to some of the people that you know in the Congress—not just me. You have me on your side already. I get lots of mail. All I can say is amen to it. But, we have some there who have great influence over how our dollars are spent, and they do not see this as one of the top priorities. And, I think it would be helpful if we would kind of be able to enlighten them. I am sure if I can get them to look at some of this testimony that we got out of this hearing, they will better understand. And, other hearings that are yet to come.

I will not say that this is the total solution to the problem, no. If they can understand that it is a waste out here of people who could potentially become leaders of this, who could potentially become real assets of our society, instead of misfits of our society, if they had an opportunity to learn and become educated. It is really something that I know that we need to look at. It disturbs me to no end.

I cannot just stop at higher education. I have to start from Head Start all the way up. But, I get a little frustrated, and I am certainly not trying to digress in anyway. Some of the young people seem to be, and when I say young people, some of the people in Congress seem to be more concerned about preserving the life of a fetus than they are about those after they get here. They do not want to spend money in order to prepare for life. This is the thing that confuses me so, in that direction, when it comes to spending money for education, training, of these poor kids, particularly, the do not seem to want to do it.

So, we have a lot of work to do. A lot of distance ahead to cover. And, I want to thank you in final analysis for your contribution in this direction, as witnesses here at this great institution. And, I am going to pass the word on to the President of Chicago State University. We certainly want to thank her for having made available for us this facility, so we could have this hearing here.

So, with that, go have your lunch.

[Whereupon, at 12:38 p.m., the subcommittee was adjourned.]

[Additional material submitted for the record follows.]

REAUTHORIZATION OF THE HIGHER EDUCATION ACT

Sharon Thomas Parrott
Vice President, Governmental Relations
DeVry Inc., Evanston, Illinois
May 24, 1991
Congressman Charles Hayes Field Hearing, Chicago, Illinois

Good morning I am Sharon Thomas Parrott, Vice President of Governmental Relations for DeVry Inc. a nationwide system of institutions of higher education funded with private investment capital.

The nine U.S. DeVry Institutes and the eight campuses of Keller Graduate School of Management enroll more than 25,000 students in programs at the associate, bachelor's and master's degree level. All DeVry and Keller institutions are accredited by the Commission on Institutions of Higher Education of the North Central Association of Colleges and Schools. Our institutions provide high quality, career oriented, higher education programs in business and technology to a diverse student population.

In my 20 years in higher education, I have held faculty and administrative positions at public and private colleges and served the U.S. Department of Education's Student Aid Division in both the regional and Washington offices. Additionally, I have served on the Board of Directors of the National Association of Student Financial Aid Administrators and on various committees of the Midwest Association of Student Financial Aid Administrators and the Illinois Association of Student Financial Aid Administrators. I currently serve on the College Board College Scholarship Service Council on the Committee on Standards of Ability to Pay.

For the past 9 years at DeVry, I have been responsible for all student aid policy and compliance, as well as our relationships with governmental entities. It is from my unique vantage point that I offer the following comments.

I am pleased to have the opportunity to speak this morning on the important topics of preservation of access and choice to ensure equal educational opportunity, direct loans, and assessment of home equity in needs analysis.

Preservation of Access and Choice to Ensure Equal Educational Opportunity

American higher education faces an increasingly diverse student population that includes higher proportions of minorities, adults with family and work responsibilities, and students with inadequate levels of basic skills. Many believe that our willingness to come to grips with this may signal our country's ability to endure as a world leader.

The cornerstone of the Higher Education Act is a bipartisan commitment to open and keep open the doors of America's higher education institutions to low and middle income students.

Equal treatment of the students pursuing postsecondary education must be a fait accompli. No student should have less access based on their choice of an authorized, accredited and eligible institution. For this reason, DeVry does not support any attempt to establish separate laws or regulations based on institutional sector.

DeVry believes that consistent performance (not sector) based guidelines should be established to assist all institutions in the sound administration of their educational and financial aid programs. Anything else is as unequal today as it was 37 years ago when the U.S. Supreme Court ruled that separate but equal is inherently unequal.

For those who argue that students attending proprietary institutions are taking funding away from students attending non-profit institutions we say:

1. The intention of the drafters of the Higher Education Act was that students choose their institutions from the marketplace of postsecondary education. The problem seems to be that when the markets work some of us don't like the results. As Alice Rivlin, a noted economist, has said, "We're not very good at

sorting out nostalgia and inertia from more genuine reasons for fighting to preserve what consumers are no longer voting for."

2. The length of the program will differentiate the total amount of aid a student is eligible for. Students attending short courses receive less than students attending longer programs. Like type programs must be viewed equally and students attending like type programs must not be adversely affected by rules designed to segregate one type of institution.

3. To suggest that some students are second class based on their preference to pursue their educational objective at a particular institution is unconscionable. If the same separate but equal doctrine were suggested based on race or sex the discussion would be so preposterous as to be beyond debate.

Demographic studies like One-Third of a Nation and Workplace 2000 have foretold the future. By the year 2000, minorities and the poor will make-up nearly 50% of students enrolled in the public school system. The cost of educating these students, formerly non-traditional but soon to be the norm, will be higher; however, the cost of not educating them will be catastrophic.

DeVry has been involved in educating first generation college students since our beginning 60 years ago. Today, DeVry is uniquely positioned to successfully serve the new demographics. As an example, in the 1989-90 academic year 47% of all blacks and hispanics receiving the bachelor's degree in engineering and engineering related technologies at Illinois institutions of higher education received a DeVry bachelor's degree and 30% of all blacks and hispanics receiving the bachelor's degree in computer information systems from Illinois colleges and universities received a DeVry baccalaureate degree.

The student loan default issue always gets in the way of access and choice questions. It is important to note that loan default is not a sector issue; it is an admissions issue. A solution to the GSL default issue that focuses on reducing access to loans rather than reducing the causes of default could have disastrous effects on this nation. We can not afford to disfranchise the very people who will represent a large portion of the contributors to our retirement. Our national self interest and security, as well as our ability to compete in the global market place, will require that many of our underprepared students receive a quality education. Most of them will require financial assistance through student loan programs.

Student loan defaults didn't just happen. They are as much the result of federal policy and reduced funding for grants as any other single factor.

The wrong students are increasingly borrowing too much money. The erosion of the grant dollar has helped to create an unhealthy reliance on student loans by the very students who are least able to repay.

The following recommendations are made to preserve access and choice to ensure equal educational opportunity.

1. For Title IV purposes, create one definition of an institution of higher education which incorporates all current definitions used to determine eligibility for federal student assistance programs.

   Ultimately the problem of unequal treatment of students and institutions is a statutory one created by the separate definitions for institutions of higher education based solely on the capital structure of the institution.

   The inclusion of the definition proprietary institution of higher education in 1972 had the noble goal of increasing access like the Second Morrill Act of 1890 which created separate "but equal" land grant higher education institutions for blacks.

Just as it has been constitutionally recognized that separate but equal is inherently unequal when it comes to racial segregation in education so it is with this segregation of institutions of higher education by tax status.

The statutory designations by level of offering contained within our proposed definition of an institution of higher education is all that is necessary to distinguish an institution's educational objectives.

2. Create in statute a uniform definition of an academic year.

To address issues of course compression and clock stretching, we propose the addition of minimum timeframe for completion of an academic year.

The 30 week minimum (or its fraction) would prevent institutions from compressing the 24 semester hours or 36 quarter hours (or their fraction) into an artificially low timeframe. By adding the timeframe parameters, full-time students would complete the program within 30 weeks, and therefore only receive one Pell Grant and one Stafford Loan.

3. Require that any state receiving federal SSIG funds provide equal access to state grant funding for students attending authorized, accredited, and eligible institutions regardless of tax structure.

In 16 states, including Illinois, students who choose to pursue a degree at a high-quality proprietary institution of higher education such as DeVry, are discriminated against by the current rule which allows states to disenfranchise them based on their choice of a degree granting authorized, accredited and eligible institution of higher education.

4. Correct the grant/loan imbalance through the authorization and appropriation of a true Pell Grant entitlement.

   The value of the Pell Grant has eroded to a point where it can no longer achieve the goal of access as initially intended. Needy students must have access, choice, and certainty of funding to pursue and succeed in higher education.

Direct Loans

I would like to speak to the proposed revamping of the Guaranteed Student Loan program into a direct lending program as proposed by some of the Bush Administration.

In short, DeVry opposes direct lending as it has been suggested. Your attention is called to the following concerns as Congress considers this proposal.

First and foremost, the Guaranteed Student Loan programs do work. The concepts underlying them are fundamentally sound. What is amazing is that they do work. Just think, we give unsecured loans to students with no credit history, increasingly to poor students who should receive grants rather than loans, and yet 85% of all borrowers repay and they do it in an environment that says to them that everyone is defaulting. Over $100 billion dollars has been lent to American students in the past 25 years to assist our nation in winning the race between education and catastrophe. That race will become a more perilous one in the future.

One of the real strengths of the program is the student loan partnership that brings together participants in the student loan program as diverse as corporate America, the federal government, state and private guarantee agencies, institutions of postsecondary education, and students and parents. It shows what can be done in this country when we come together to do good.

In a time of tightening fiscal constraint, it is vital that private industry, as well as our government, continue to invest in the students of this country.

DeVry's student population includes a large percentage of first generation college students with about 50% of them being urban or rural, poor to middle income. Our median income ranges from 24,000 to 32,000 across our nine U.S. institutes. Our Perkins loan default rate is about 8%, while our GSL systemwide default rate is almost 12%. It appears that as an institution we do a better overall job at collecting Perkins than the 40+ agencies that our students are involved with do in collecting GSLs.

At least some of that variance is do to differences in lending practices across banks and/or guarantee procedures. And, in fact, there are swings in our default rate based on both. So, while there is some evidence to suggest that institutions like DeVry would do a better job with a direct loan program, it is important to keep in mind the financial capacity and administrative responsibility required to effectively collect Guaranteed Student Loans. A more feasible solution would be to study what the good agencies are doing and impose standards based on what is necessary to keep the program fiscally sound rather than basing them on the lowest common denominator.

Another concern is with the federal government administering a direct loan program. Having participated over the years with the FISL program, both from the government side and from an institutional side, I would argue that the private sector has done a far better job, even with the variance of the guarantee agencies at administering this program when compared to how the federal government administered FISL over the 1960's, 1970's and early 1980's.

The cost to the federal government, and therefore to the taxpayers, for federal control and administration of the direct lending program appears to me to be prohibitive. As Milton Freedman, a noted economist, said recently - "To start, there is a very general rule that on average it costs half as much to run anything privately as it does governmentally."

To continue on the fiscal theme, a real question is where will the $13 billion dollars come from to finance this direct lending program. If Congress wants to readjust and increase its investment in student aid, it is much more important to fund a Pell Grant entitlement than to develop a direct lending program.

It is particularly troubling that a federal appropriation for direct lending could result in limitations on funding and therefore cause some students or parents who have need of Guaranteed Student Loans to lose out because of institutional allocations and budget ceilings. All students who may have need for the loan may not be served, as opposed to the current structure which essentially allows for an entitlement. In this situation, either the $13 million may be too low, even if funding could be found in the federal budget, or access, choice, and certainty could be lost to some schools who have need of Guaranteed Student Loans.

We are also most concerned that given the current structure of the institution administered Perkins, a direct student loan program with its penalties to institutions based on default rate, regardless of population served or due diligence compliance, would be imposed on the direct lending program. This type of program would put more pressure on schools to accept only students who have no risk of defaulting on student loans. Student loan defaults don't just happen. They happen because the wrong students are increasingly borrowing too much money. Loans reintroduce financial and risk barriers for the truly needy. "Black colleges, two year colleges, and proprietary colleges take students who come out of our urban high schools and rural communities without the best preparation", said Dr. Robert Albright, Chairman of the American

Council on Education. "One can tell by looking at the admissions data, that mainstream institutions are not willing to take chances on these kids. I think that is irresponsible for the Congress to hold institutions accountable for loans we don't make. I think that the nation must be concerned about defaults, but I don't think that the way to do it is to be pushing the colleges that are taking chances on kids that some don't think can make a contribution to society."

It is possible that a direct guaranteed lending program could cause institutions who are taking chances on the future of America to shy away from that noble mission, and, in fact, begin to make admissions decisions on the perceived ability of students to repay loans.

Finally, the importance of the partnership is vital to the success of the Guaranteed Student Loan program. That success can be maintained and enhanced only if all members of the student loan partnership, students and parents, postsecondary education institutions, banks, guarantee agencies, and the federal government are held equally accountable for student loan defaults -- if all members of the student loan partnership take responsibility to ensure student loan repayment.

Assessment of Home Equity in Needs Analysis

There has been a great deal of controversy surrounding the use of the home equity asset in needs analysis. While elimination of the home equity has the advantage of simplicity, its removal from needs analysis will have the effect of redistributing financial aid from the financially unfortunate to the financially fortunate. Consider:

1. Homeowners are protected from rising housing costs.
2. Homeowners are generally wealthier than renters.
3. Homeowners receive favorable tax treatment.

We believe that financial aid need and eligibility would shift to middle and upper income families at the expense of the poor. Stated another way, it will transfer student financial aid dollars from poor non-home owning minority students to wealthier home owning majority students. The following census data is relevant to the point.

> "The average income households that owned their own homes was $31,903 in 1987, while the average income of renter households was $17,474.
>
> 91% of all owner occupied housing units are occupied by white households.
>
> The home ownership rate among white households is 56% higher than the home ownership among black households."

(Source: The Department of Commerce Bureau of Census Statistical Abstract of the United States, 1989.)

We understand the specific problem created for families when home equity is out of line with income and believe that some relief should be given only to families who find themselves in this situation.

Therefore, DeVry supports the College Board and NASFAA Plan for Reform proposals which cap home value at three times income to protect aid applicants and their ability to pay. This proposal does not complicate the application form as the central system would compute the equity based on the lower of reported home value minus mortgage or the total income minus the mortgage.

Example:

Current Treatment

$ 200,000	Reported Home Value
- 40,000	Outstanding Mortgage
$ 160,000	Home Equity Included in Needs Analysis

Proposed Treatment

$ 30,000	Total Family Income
x 3	
90,000	
- 40,000	Outstanding Mortgage
$ 50,000	Home Equity Included in Needs Analysis

We believe that this change in needs analysis would move us toward a simple needs analysis system which would ensure a fair and equitable delivery of federal student aid funds.

One of the most important issues facing our nation is the education of our youth. In their book *Toward a More Perfect Union: Basic Skills, Poor Families, and Our Economic Future*, Berlin and Sum observed, "the numerical importance of those currently at the bottom will increase. A higher share of this smaller total will be composed of minority and economically disadvantaged groups. Thus, those at the bottom of the distribution curve of skills in schooling will increasingly hold the key to the future of America's performance."

As Americans, we have the opportunity to positively affect the future by what Congress does in this reauthorization.

Thank you for this opportunity to provide testimony on the reauthorization of the Higher Education Act.

Testimony before the

Subcommittee on Education, Arts and Humanities
Committee on Labor and Human Resources

by

Francis Bland
Student
Taylor Business Institute

May 23, 1991

Congressman Hayes and members of the Committee, good morning. My name is Francis Bland, and I am a student at the Taylor Business Institute in Chicago, Illinois. I appreciate the opportunity to speak to you this morning about my education at Taylor.

This past January, I transferred to the Taylor Business Institute to get education and training in computerized accounting. Prior to that, I was enrolled at the Peter Cortez ~~Cortez~~ ~~Sch~~ool, another private career school, which unfortunately has closed down. While at Peters Cortez ~~Cortez~~, I studied business administration. When the school closed, I needed to figure out my options, so I did some research and decided to apply to Taylor.

One option that was not mine to figure out was serving in the Persian Gulf. I am a member of the United States Reserve and my unit was scheduled to go to the Persian Gulf. However, due to the amazing U.S. successes in the Gulf, my unit was not required to go overseas. After receiving that good news, I moved ahead on my plans to continue my post-high school education.

At Taylor, I started taking courses in computerized accounting. I found working on budgets and finances to be interesting and exciting, and something that came very quickly to me. In fact, I am very proud of how well I am doing in school -- I am maintaining a 4.0 grade point average.

I've also been very lucky in that the people at Taylor have taken a serious interest in my success. Mrs. Reed, one of my teachers, and Mrs. Spelce-Kime, the Director of Education, have not only been encouraging, but through the college-work study program, they have given me the opportunity to be a clerk in both the education and finance departments. This has given me a chance to see what working in these environments is like.

I am so happy with what I have learned so far that I have decided to go for my B.A. degree in accounting when I graduate from here. Now, I am working on finding the right University to attend -- I hope the experience will be as good as this one.

The reason I am telling you all of this today is so you can see that private career schools play ~~in~~ an important part in many people's success. I understand that Congress is trying to determine what to do about the financial aid system through the reauthorization of the Higher Education Act.

I received a good deal of financial aid to attend school -- grants, the SEOG, college/work study, and guaranteed student loans. And, if I go on to get more education, I will need financial aid again. But, I know -- and you should know -- that it is very important to people like me. Now I have a chance at a very successful future -- and I plan to take full advantage of it.

Thank you very much for listening to me this morning.

Testimony before
The Subcommittee on Postsecondary Education
# of the Committee on Education and Labor
U.S. House of Representatives

by

Victoria Breceda
Student
Taylor Business Institute

Chicago, Illinois

May 24, 1991

Representative Hayes and Members of the Subcommittee, good morning. My name is Victoria Breceda. I am a student at the Taylor Business Institute in Chicago enrolled in the Computerized Aide Secretarial program. Thank you for allowing me the opportunity to testify at this hearing on the reauthorization of the Higher Education Act this morning.

Before enrolling at Taylor, I was a receptionist for an outpatient facility in Chicago. While working and paid as a receptionist, my duties were more those of a secretary. I knew I wanted a job which recognized my contributions and hard work with an appropriate salary, but when I looked for a secretarial position, I was told that I needed more experience. Even though I was working as a secretary, my title was receptionist and employers felt I had no secretarial experience. Although I was learning a lot of skills through my job, I was not receiving formal training in secretarial and computer skills which I could use to find a better paying job.

I heard of Taylor Business Institute through friends, and I made the decision to find out more about receiving a post-high school education. I was pleased to be able to enroll in classes that would give me the training I needed.

I am learning to use a variety of software programs widely used in the business world, including Lotus and WordPerfect. I am also taking classes in English, filing practices, and typing skills. The classes are small, and I get a lot of individual attention when I need help understanding the material.

When I complete my 12-month program, I will be armed with my previous job experience and a certificate of completion attesting to my secretarial skills. I hope to get a job as a secretary with a large company or corporation with the long-term goal of becoming an executive secretary. Last year, although I had these hopes, I was not very confident that I would be able to see them through in the near future. Now thanks to my studies and the encouragement of the staff at Taylor, I honestly believe I can get the job I want.

One thing that makes me unusual among my classmates is that I do not rely on financial aid to pay for my education. Even so, it is easy for me to look through the eyes of my friends at Taylor and understand how important financial aid is to many of them. I am doing well in my classes, but that has nothing to do with the way I pay my tuition. Many of my classmates have the potential to be successful, but, without financial aid, they don't have the resources to take the first step.

Please keep my fellow students in mind as you consider the reauthorization of the Higher Education Act. Make sure they have access to the financial aid they need to attend schools like Taylor so they can pursue their career goals.

Thank you.

Remarks before the
Subcommittee on Postsecondary Education
Committee on Education and Labor
U.S. House of Representatives

by

Eddie Agnew
Taylor Business Institute

May 24, 1991
Chicago, Illinois

Congressman Hayes, I appreciate the opportunity to participate in this hearing and share some of my thoughts, experiences, and concerns about student financial aid programs.

My name is Eddie A[illegible] and I am a 21-year-old student at Taylor Business Institute here in Chicago. I will soon graduate from a two-year program in Electronics Engineering Technology.

Before starting my education at Taylor, I worked for a year as a stock person in a warehouse. I realized, however, that wasn't the kind of job with a future for me. As I considered what I could do instead, I decided that I really wanted to do something in a technical field where I could work with my hands. I also wanted do something where I could use math, a subject I truly enjoyed in high school.

After looking around at various educational possibilities, I settled on Taylor Business Institute. And, believe me, it has been a very rewarding experience.

Besides the great classes and hands-on training, school officials arranged for me to participate in the college work-study program. Through this program I work as a trainers' assistant at Taylor. In this position, I work with students on simulator equipment. I have found that this "teaching" experience, in addition to helping other students, reinforces the things I have learned.

When I graduate I will be looking for a job in the electronics field. I am confident that I have the experience, and that I have mastered the skills a potential employer will be looking for. I look forward to being able to pursue a career in this area.

But today I want to let you know that it would never have been possible for me to go to Taylor, or any other school for that matter, if it hadn't been for federal student financial aid. It simply wouldn't have been possible.

To help pay my tuition, I have received Pell Grants, as well as loans from the Supplemental Loans for Students and the Guaranteed Student Loan programs. As I said, without the financial help from these programs, I would probably still be working in the warehouse and I wouldn't have the kind of job opportunities I do now.

I understand you and other members of Congress back in Washington are now considering how to change federal student aid programs. While I don't know all the details of these programs, nor do I know all the options and issues before you, I do know how important they are. I urge you to be sure that other students will be able to get the kind of help I got. They too should be able to enjoy the opportunity of getting a good education.

And that applies to private career schools as well as other kinds of schools. For me, Taylor was just the kind of program that suited my needs. Too many people fail to realize how important these schools are to so many of us.

Congressman Hayes, thank you for letting me share my experiences and views with you. I hope you will let your colleagues know how much we need and care about financial aid programs when you return to Washington. They really make a big difference in so many of our lives.

Thank you.

TESTIMONY BY

THOMAS L. WENMAN

DIRECTOR, FEDERAL RELATIONS

ILLINOIS STUDENT ASSISTANCE COMMISSION

BEFORE

CONGRESSMAN CHARLES A. HAYES

MEMBER OF THE

HOUSE COMMITTEE ON EDUCATION AND LABOR RELATIONS

AND THE

HOUSE SUBCOMMITTEE ON POSTSECONDARY EDUCATION

May 10, 1991

ISAC Testimony to House Subcommittee on Postsecondary Education
May 10, 1991

Good morning, Congressman. My name is Tom Wenman and I am Director of Federal Relations for the Illinois Student Assistance Commission. I want to thank you for the opportunity to be here this morning and share with you some of the student financial aid issues ISAC feels are deserving of serious consideration during the reauthorization of the Higher Education Act of 1965.

First, accountability among participants should be provided by a mix of approaches. It should be heavily outcome based (i.e., goals and objectives) and, to a much lesser extent, prescriptive. ISAC would suggest and support legislation in this area to:

1) Define minimum licensing standards for schools.
2) Define minimum accreditation standards for accreditation agencies.
3) Define "quality education" and assimilate it as a goal and a basis for other measures.
4) Define "outcome based" due diligence procedures.
5) Review the lender-of-last-resort concept in reference to quality of education.
6) Evaluate guarantor stability using an actuarially sound analysis that considers differences in portfolio size and mix, students served, requirements for both short and long term continued operation, etc.

We support a change in the grant/loan mix and support making Pell an entitlement. Further, we support an:

1) Increase in Pell and loan maximums. The current maximums are outdated. For instance, based on CPI with 1980 as a base, the 1990 Pell maximum would be $2,800 and the maximum Stafford would be $3,900. Based on the Higher Education Price Index these maximums would be $3,300 and $4,700, respectively.
2) Increase in Pell maximums annually, based on CPI changes in $100 increments.
3) Increase in loan maximums no more than yearly, based on CPI charges, in increments of $500.

We strongly suggest replacement of the 8%/10% Stafford interest rate, and associated windfall profits provision, with a variable rate Stafford. Further, this program should:

1) Have a floor of 8% and a cap of 10%.
2) Be based on 52 week T-Bill rate plus 3.25%, with an annual review and interest rate change like the current SLS and PLUS systems.
3) Allow for a no-fee consolidation and refinancing of old 8%/10% loans.

Related specifically to need analysis determination and processing, we propose program improvements to:

1) Maintain the use of the Central Processor. This should include the use of the Central Processor to perform the need analysis calculation(s). That is, the MDE Processors would not do the need figure determination.
2) Simplify the independent student definition.
3) Eliminate displaced homemaker and dislocated worker as core data elements, leaving these categories to be handled under special conditions provisions.
4) Guarantee a no-fee-to-the-applicant need analysis process.
5) Limit the use, by MDE's, of core data collected under MDE contract.
6) Use a single need analysis formula.

Our list of priority issues also include:

- Set overaward tolerance level for loans at the same level used for College Work Study.
- Allow reporting of "Default" status to credit bureaus as long as the debt is legally enforceable.
- Reduce the number of deferments to four: 1) In-school, 2) unemployment, 3) temporary, total disability, and 4) military.
- Continue the implementation of the National Student Loan Data System (NSLDS). The use of the NSLDS to confirm

student eligibility prior to guarantee should be promoted. Data should be available for query and for research purposes by approved parties. A check of the NSLDS should occur prior to creation of a SAR to confirm student loan and Title IV eligibility.

While the above items make up our priority issues, we offer for your consideration a number of others we feel would have a major positive impact on the programs. These include:

- Negotiated rulemaking to improve the regulatory and implementation process.
- Creation of an extended payment program to help in reduction of defaults.
- Implementation of a one lender, one holder, one servicer requirement to simplify borrower repayment.
- Common ED ID numbers to eliminate cross-program confusion.
- Continued support of the current non-subsidized Stafford loan option to provide loans to middle income families.
- Implementation of a one loan concept to simplify borrower repayment.
- Continuation of a graduated repayment option for borrowers to simplify and encourage borrower repayment.
- A strengthened LS&T and school certification program to address school quality.
- Increased Sallie Mae support of state guarantors and secondary markets to improve local (state) services and support.
- A required minimum of 3 MDE's (if MDE's continue at all), allowing ED to pick as many as needed while maintaining competition.
- Limit the use, by MDE's, of core data collected under MDE contract to prevent the misuse of ED owned data.
- Creation of a certification program for financial aid professionals to ensure only qualified people administer the program and to give them credit for their knowledge of some very complex programs.

- Use only a single need analysis formula to simplify need determination and explanations to families.
- Establish a line-of-credit option for Stafford to simplify the reapplication process.
- Institute a college savings plan that finances local secondary markets, where student aid savings finance student loan purchases, and vice versa.

These proposals are aimed at improving the Title IV programs for our ultimate client, the student.

Improvements would occur through simplification, by:
- Simplifying the application process (e.g., fewer data elements).
- Simplifying the renewal process (e.g., line-of-credit, one lender, one holder, one servicer).
- Simplifying repayment (e.g, one loan concept, graduated repayment, 8%/10% Stafford to variable rate note).
- Using the single central processor with MDE support.

Improvements would occur through default reduction, by providing:
- Emphasis on education quality.
- National Student Loan Data System checks.
- An extended payment plan.
- Program administration by certified professionals.
- Credit reporting changes.

Improvements would occur through ancillary changes, such as:
- Early intervention.
- Non-subsidized Stafford loans.
- Increased grant and loan maximums.
- Education quality and guarantor stability.
- Changing grant/loan mix.
- CPI based "automatic" increases for Pell and GSL.
- Strengthened local secondary market support.

In the position paper we provided the Subcommittee recently, we did not specifically address the direct loan concept. Finding a proposal with sufficient detail for evaluation has been difficult, at best. However, we do have considerable interest in this idea. We note there are some concepts inherent in any direct loan proposal that should be considered. Standardization of forms, formats, reports, etc., would be helpful. The increased use of electronic transfer, such as Electronic Funds Transfer (EFT), could reduce burden and improve delivery of aid. ISAC continues to support such approaches, and feels those improvements, within the present program structure, could offer simplification to students and providers alike, while reducing administrative costs as well.

I would like to take the couple of minutes remaining and talk very briefly (and quickly) about two or three concepts which are, shall we say, different.

The first is a proposal to create a certification program for student financial aid professionals. This would include student loan officers, financial aid officers and administrators within state and federal agencies and other groups involved in the determination and delivery of student financial aid. This would ensure that knowledgeable individuals are responsible for the delivery of aid, just as we expect certified and/or licensed individuals to sell our homes or provide us with insurance coverage.

The second area is what we, in Illinois, call our one-lender rule. This would be a forced consolidation program of sorts. A student borrower would be required to get subsequent loans from the lender who holds their original loan. Servicers would be required to treat all like loans for a borrower as one. And if a loan were to be sold to another lender or secondary market, prior and subsequent loans would have to be sold as well. The result would be a student who goes into repayment having to work with only one holder, not several; one guarantor, not multiples; one coupon book, not many.

Thank you again for consideration of our proposals. I trust the advantages, especially to the student, are evident. Some of the proposals are unique. Many you've heard from others. Either way, we feel HEA Reauthorization should be taken seriously and these concepts and proposals should be considered. I welcome your comments and questions. Thank you.